



Daily Report

China

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General

Further Comments From Foreign Ministry Spokesman

Views Sino-U.S. Relations

OW2908124095 Beijing XINHUA Domestic Service
in Chinese 1131 GMT 29 Aug 95

[By reporters Tan Guoqi (6223 0948 0892) and Zou Chunyi (6760 2504 5030)]

[FBIS Translated Text] Beijing, 29 Aug (XINHUA) — Answering reporters' questions on Sino-U.S. relations and other issues at a press conference today, Foreign Ministry spokesman Chen Jian said whether Sino-U.S. relations can be restored to normal depends on whether the U.S. side will take actions to honor its commitment.

A reporter asked: How does the Chinese side assess the recent talks between the Chinese and U.S. vice foreign ministers? Does the Chinese side maintain that normal Sino-U.S. relations have been restored?

Chen Jian replied: Based on an agreement reached between the Chinese and U.S. foreign affairs ministers during their meeting in Brunei on 1 August, Chinese Vice Foreign Minister Li Zhaoxing held talks with Peter Tarnoff, U.S. undersecretary of state in charge of political affairs, in Beijing 26-27 August. Vice Premier and Minister of Foreign Affairs Qian Qichen also met with Tarnoff. In their talks, the two sides mainly discussed how to continue to eliminate the serious consequences [yan zhong hou guo 0917 6850 0683 2654] which Li Denghui's [Li Teng-hui's] U.S. visit had brought to Sino-U.S. relations so that the two countries' relations can return to the correct track set forth in the three Sino-U.S. joint communiques. The talks have been useful [you yi de 2589 4135 4104] in helping Sino-U.S. relations out of the present troubled situation [kun nan ju mian 0938 7181 1444 7240].

Recently the U.S. side has time and again indicated that it has fully realized the importance and sensitivity of the Taiwan issue in Sino-U.S. relations, that it has no intention of diverting itself from the "one China" policy that it has pursued for a long time, and that it will continue to abide by the principles set forth in the three Sino-U.S. joint communiques by opposing propositions for "two Chinas" or "one China, one Taiwan," opposing Taiwan independence, as well as Taiwan's attempt to enter the United Nations. Whether Sino-U.S. relations can be restored to normal depends on whether the U.S. side can take actions to honor its commitment.

Another reporter asked: Would you please confirm the report that China will carry out a military exercise in the South China Sea?

Chen Jian replied: As far as I know, China has not carried out any military exercise in the South China Sea [zhong guo mei you zai nan hai di qu jin xing jun shi yan xi de guo dong 0022 0948 3093 2589 0961 0598 3189 0966 0575 0651 5887 6511 0057 3348 5045 4104 3172 0520].

Views Envoy's Return to U.S.

OW2908123895 Tokyo KYODO in English
1210 GMT 29 Aug 95

[FBIS Transcribed Text] Beijing, Aug. 29 KYODO — The Foreign Ministry said Tuesday [29 August] it will be sending its ambassador back to the United States and is considering a new nominee for U.S. ambassador to Beijing as vice-ministerial talks between the two countries last weekend had proven useful.

"Ambassador Li Daoyu will return to his office in the U.S. at an appropriate time and China right now is considering the U.S. nomination of Mr. (Jim) Sasser as its next ambassador to China," ministry spokesman Chen Jian said, following an earlier announcement in Washington forecasting Li's return.

Li was recalled from the U.S. in late May after Washington announced it was permitting Taiwan President Li Teng-hui to visit the U.S., a move which infuriated Beijing.

With the subsequent expiration of the tour of duty of former U.S. Ambassador to China Stapleton Roy, both capitals have been left without ambassadorial representation, resulting in what the Chinese press has called the worst period of Sino-U.S. relations since 1979, when diplomatic relations were reestablished.

Chen called last weekend's talks between U.S. Undersecretary of State Peter Tarnoff and Vice Foreign Minister Li Zhaoxing "useful" in "the present troubled situation."

"The U.S. side has once again indicated that it has fully realized the importance and sensitivity of the Taiwan issue in Sino-U.S. relations and that it has no intention to divert itself from the 'one China' policy it has pursued for a long time," he said.

The approval by China of the nomination of Sasser, a former U.S. Senator from Tennessee with close ties to President Bill Clinton, has been under consideration for several months.

Further on Return

OW3008052895 *Beijing Central People's Radio in Mandarin to Taiwan 2200 GMT 29 Aug 95*

[Passages within quotation marks are recorded]

[FBIS Translated Text] During the Foreign Ministry's twice-weekly routine news briefing on 29 August, our Foreign Ministry spokesman Chen Jian answered reporters' questions on Sino-U.S. relations, Sino-Japanese relations, and other issues.

A reporter asked whether China would soon return its ambassador to his post in Washington, and whether China approves of the new U.S. ambassador-designate to China.

Chen Jian replied: "Ambassador Li Daoyu will return to his post in the United States at an appropriate time. The Chinese side is considering the nomination of Sasser as the new U.S. ambassador to China. Erroneous practices by the United States over the Taiwan issue have led to serious difficulties in Sino-U.S. relations. This is something the Chinese side does not wish to see, and this situation is not in accordance with the long-term interests of China and the United States and their peoples. The U.S. side has once again indicated that it has fully realized the importance and sensitivity of the Taiwan issue in Sino-U.S. relations, and that it has no intention of changing the one-China policy it has pursued for a long time. It will continue to honor the principles set forth in the three Sino-U.S. joint communiques, and oppose the position of two Chinas or one China, one Taiwan, Taiwan independence, and Taiwan's admission into the United Nations. Whether Sino-U.S. relations can be restored to normal depends on whether the U.S. side can take concrete actions to honor its aforementioned commitment."

A reporter asked: The Japanese Government recently stopped some of its grant aid to China to protest the latter's nuclear testing. What comment do you have on this matter?

Chen Jian said: "We deeply regret the Japanese Government's decision to freeze most of its grant aid to China in fiscal 1995 on the grounds of China's nuclear test. It is common knowledge that China has always adopted an attitude of utmost restraint on the issue of nuclear testing. China favors the complete prohibition and thorough destruction of nuclear weapons. It has long undertaken unilaterally not to be the first to use nuclear weapons, or to use or threaten to use nuclear weapons against non-nuclear-weapons countries or regions. China's small number of nuclear weapons and limited nuclear testing are not directed against any other country; nor do they pose any threat to Japan or other

countries. China has actively participated in negotiations for a comprehensive test ban treaty, and has repeatedly signaled its intention of stopping nuclear testing after the treaty takes effect.

"Sino-Japanese economic cooperation is based on equality and mutual benefit, and the Chinese side is firmly against attaching political conditions to economic cooperation. It is common knowledge that this year is the 50th anniversary of the victory in the world's antifascist war and China's war of resistance against Japan. On this occasion, the Japanese side ought to deeply examine its own war crimes and conscientiously draw lessons from history. Instead, it is now trying to make a big issue of China's nuclear testing. One cannot help but wonder what its true political motives are. Obviously, their action is highly detrimental to the sound development of Sino-Japanese relations."

A reporter asked: Will the activities of countries attending the UN World Conference on Women and the forum of nongovernmental organizations [NGO] be subject to certain restrictions?

Chen Jian answered: "The World Conference on Women, including the NGO forum, is a UN meeting. In accordance with UN regulations and relevant practices, venues for governmental meetings and NGO forums are UN sites. We are strictly following relevant UN regulations, and are not intentionally imposing any restrictions. Similar activities held outside UN venues should comply with Chinese laws and regulations. I do not think foreign nationals enjoy Chinese citizens' constitutional rights."

A reporter asked whether China would conduct military exercises in the South China Sea. Chen Jian said he was not aware of such plans.

U.S. Nomination Considered

HK3008033195 *Hong Kong WEN WEI PO in Chinese 30 Aug 95 p A1*

["Special dispatch" from Beijing on 29 August by staff reporter Yang Fan (2799 1581): "Chinese Ambassador Will Return to Washington To Resume Office"]

[FBIS Translated Text] Foreign Ministry Spokesman Chen Jian said here today that Ambassador Li Daoyu is to return to Washington to resume office at an appropriate time. At the same time, the Chinese side is considering Washington's nomination for its next ambassador to China, James Sasser. He said that he hoped the United States would abide by the commitment it has made on the Taiwan issue, and would take down-to-earth action to eradicate the injury to Sino-U.S. relations resulting from the United States' allowing Li

Teng-hui to visit so as to create a helpful atmosphere and conditions for the Sino-U.S. summit.

Chen Jian indicated that recently the U.S. side has repeatedly stated that the United States has fully understood the importance and sensitivity of the Taiwan issue in Sino-U.S. relations, that the U.S. side does not intend to change its long-pursued "one-China" policy, that it will continue to observe the principles set out in the three Sino-U.S. communiques, and that it will oppose "two Chinas," "one China-one Taiwan," Taiwan independence, and Taiwan's entering the United Nations.

Chen Jian stressed that whether Sino-U.S. relations can return to normal depends on whether the United States makes good on its aforementioned commitments with action.

When a reporter asked whether or not U.S. First Lady Hillary Clinton will meet with Jiang Zemin when she arrives in Beijing to participate in the Fourth UN Women's Conference, this spokesman said that Hillary would receive the same courteous reception as the 26 other first ladies who will attend the conference in Beijing. On the recent meeting of the Chinese vice foreign minister and the U.S. undersecretary of state, Chen Jian said that the recent negotiations were conducive to Sino-U.S. relations' getting out of their present difficult situation.

Japan Aid Freeze 'Detrimental'

OW2908120295 Tokyo KYODO in English
1118 GMT 29 Aug 95

[FBIS Transcribed Text] Beijing, Aug. 29 KYODO — China's Foreign Ministry quickly and harshly condemned Tuesday's [29 August] decision by the Japanese Government to freeze its nonhumanitarian aid in response to recent Chinese nuclear tests, saying such a move is "highly detrimental" to the development of Sino-Japanese relations.

"We deeply regret the decision of the Japanese Government to freeze most of its grant aid to China in fiscal 1995 on the grounds of China's nuclear test," ministry spokesman Chen Jian said.

"At such a time (the 50th anniversary of World War II) the Japanese side ought to deeply self-examine its war crimes and conscientiously draw lessons from history. Instead it is now trying to make a big issue of China's nuclear testing," Chen said.

"One cannot help but wonder what its true political motives are. This Japanese move can be highly detrimental to a sound development of Sino-Japanese relations," he added.

Chen said China has always exercised utmost restraint in its nuclear testing and its nuclear arsenal does not "pose any threat to Japan or any other country."

Japan's Foreign Ministry announced earlier Tuesday that it would freeze its grant aid to China in fiscal 1995 at 500 million yen, down from the 7.8 billion yen handed over to the Chinese Government in 1994, in retaliation for Chinese nuclear tests carried out in May and early August.

Chen again stated China's nuclear position which calls for the "complete prohibition and thorough destruction of all nuclear weapons," while maintaining that Beijing is actively working to support a comprehensive test ban treaty that would effectively end nuclear testing.

"Sino-Japanese economic cooperation is based on equality and mutual benefit and the Chinese side is firmly against attaching political conditions to economic cooperation," he added.

Further on Aid Freeze

OW3008101295 Beijing XINHUA in English
0958 GMT 30 Aug 95

[FBIS Transcribed Text] Beijing, August 30 (XINHUA) — Chinese Foreign Ministry Spokesman said that China deeply regrets Japan's decision to freeze most of its grant aid to China of 1995 fiscal year on the ground of China's nuclear tests.

Responding to a correspondent's question at a news conference here Tuesday [29 August], Chen said that the Japanese move "can be highly detrimental to a sound development of Sino-Japanese relations."

He said that as is known to all, China has always exercised utmost restraint on the issue of nuclear testing, and China stands for complete prohibition and thorough destruction of nuclear weapons and has long since unilaterally undertaken not to be the first to use nuclear weapons and not to use or threaten to use nuclear weapons against non-nuclear states and nuclear-free zones.

"China's small amount of nuclear weapons and its limited nuclear testing are not directed against any other country, nor do they pose any threat to Japan or other countries," he said.

In addition, Chen added, China has taken an active part in the negotiations for a comprehensive test ban treaty, and stated on many occasions that it will cease nuclear testing upon the entry into force of the said treaty.

"The Chinese sides would like to reiterate that Sino-Japanese economic cooperation is based on equality and

mutual benefit, and it is firmly against any practice of attaching political conditions to economic cooperation," Chen stated.

This year, Chen said, marks the 50th anniversary of the triumph of the world anti-fascist war and China's War of Resistance Against Japanese Aggression. "The Japanese side ought to deeply self-examine its war crimes and conscientiously draw lessons from history. Instead, it is now trying to make a big issue of China's nuclear testing. One cannot but wonder what its true political motives are," he said.

On Japan's Political Motives

HK3008034395 Hong Kong WEN WEI PO in Chinese
30 Aug 95 p A1

[*"Special dispatch"* from Beijing on 29 August by staff reporter Yang Fan (2254 1581): "Japan Picks on China's Nuclear Test; Beijing Says Japan's Action Has Political Intent"]

[FBIS Translated Text] Beijing, 29 Aug (WEN WEI PO) — Foreign Ministry Spokesman Chen Jian said here today that he deeply regretted the decision made by the Japanese Government to freeze by a wide margin its gratis aid to China in 1995 in protest of China's nuclear test. "Apparently," Chen said, Japan's action "is very harmful to" the sound development of Sino-Japanese relations. One cannot but wonder about Japan's true political motives, Chen continued.

Chen said that Sino-Japanese economic cooperation is established on the basis of equality and mutual benefit, and that the Chinese side is firmly against any practice of attaching political conditions to economic cooperation.

As everyone knows, Chen said, this year marks the 50th anniversary of the victories in the World War against fascism and in China's War of Resistance Against Japanese Aggression. At this moment, Japan ought to deeply examine its war crimes and conscientiously draw lessons from history, instead of trying to make a big issue of China's nuclear testing. One cannot but wonder what its true political motives are.

On the question of nuclear testing, the spokesman reiterated that China has always adopted a very restrained attitude. As regards the comprehensive ban and total annihilation of nuclear weapons, China unilaterally declared long ago that it will never be the first to use nuclear weapons, and will never use its nuclear weapons against nonnuclear states and regions; nor will it threaten to use nuclear weapons. China's small number of nuclear weapons and its limited nuclear testing are not directed

against any other country, nor do they pose any threat to Japan or other countries.

Women Delegates To Obey Laws

OW2908155995 Beijing ZHONGGUO XINWEN SHE
in Chinese 1132 GMT 29 Aug 95

[FBIS Translated Text] Beijing, 29 Aug (ZHONGGUO XINWEN SHE) — Foreign Ministry spokesman Chen Jian said that no organization or individual should try to interfere in China's internal affairs by taking advantage of the opportunity of attending the world conference on women.

The spokesman made the comment at a regular Foreign Ministry press conference here today.

Chen Jian especially noted that "any organization" also includes Amnesty International. Answering a question on whether China will have a dialogue with Amnesty International during the world conference on women, Chen Jian said: Amnesty international is in China to attend the UN Fourth World Conference on Women [FWCW]. Dialogue between it and China is not on the conference's agenda.

Chen Jian pointed out: Amnesty International is an organization with long-standing, deep-rooted prejudice against China. There is no foundation for the string of accusations it has made against China in recent years.

He said that according to UN regulations and relevant conventions, the sites for government conferences and NGO [acronym transmitted in English] are UN venues. Any activities at these sites, including parades and distribution of materials, should be carried out in accordance with relevant UN regulations. What China does in this regard is to strictly abide by relevant UN regulations; it is not deliberately "drawing a circle on the ground as a prison." Any activity outside UN venues should conform to Chinese laws and relevant regulations. He stressed that foreign citizens do not enjoy the constitutional rights enjoyed by Chinese citizens.

A reporter asked whether President Jiang Zemin will meet Mrs. Clinton during the FWCW, Chen Jian answered: Mrs. Clinton will be received with proper courtesy like the other 25 first ladies who are coming for the women's conference.

Further on UN World Conference on Women

Newspapers Published

OW2908151795 *Beijing XINHUA in English*
1506 GMT 29 Aug 95

[FBIS Transcribed Text] Beijing, August 29 (XINHUA) — Publication of a Chinese language newspaper, and "World Women," an English language newspaper, began today before the opening of the '95 Beijing NGO forum tomorrow and that of the UN Fourth World Conference on Women (FWCW) in six days.

The two newspapers, which have been specially published for FWCW, will follow the women conference and its parallel NGO forum, along with the channel-C television, which will start broadcasting tomorrow.

Today's "Voice of Women," which goes out in eight pages, carried an interview with Chen Muhua, head of the Chinese delegation to FWCW and a large photo on the front page.

"World Women," which also goes out in eight pages, will follow the UN women's conference and activities in NGO forum while highlighting issues of concern to participants from various countries.

The channel-C television, which will be in Chinese and English services, will be in operation from 7:00 A.M. To 2:00 A.M. Every day from August 30 to September 15, the day when the FWCW closes. Its programs will include news and special reports on the conference. It will also carry reports on the conference schedules, announcements, international news and information on tourism, weather and shopping.

Singapore Delegate Interviewed

OW2908153995 *Beijing XINHUA in English*
1528 GMT 29 Aug 95

[By Zeng Hu]

[FBIS Transcribed Text] Singapore, August 29 (XINHUA) — Singapore Senior Minister of State for Health and Education Aline Wong has said that Women must have confidence in themselves and they must have faith in their own ability and in their own potential.

In a recent interview with XINHUA, Dr. Aline Wong, one of the top members of the official delegation of Singapore to the World Women's Conference in Beijing, made the appeal, saying that "We must not give up. And we must have faith in ourselves. Given the opportunity, we are able to take the challenge."

Dr. Wong, the only woman minister in the current government cabinet, said that "We are very happy that we are able to participate in the Beijing Conference. This

is the first time Singapore sends an official delegation to the UN Women's Conference."

She emphasized that a heart felt message she would like to bring to the Beijing Conference was that women must have confidence in themselves. No matter where they are, which part of the world they are, women must have faith in their own ability and in their own potential.

Noting that there is no universal message for women in all over the world, she said that her message for women in the developing countries is that they should concentrate on getting higher level of education, because education is the key to raising the status of women and increasing the welfare.

"Once you raise the women's education standard, then employment and higher living standard will follow," she said.

For women in the developed countries, since they "have got so much for themselves already," Dr. Wong said that women, women's groups, and women's movement in particular were now going for things like individual rights, personal freedom, and personal fulfillment.

"I think there is a danger that they may have gone to too extreme a position. In a sense, the impact on the society and the family is not necessarily all positive. In fact, there are adverse implications already," she said.

She urged women in the developed countries to exercise a bit more restraint in what they demand in pushing forward women's rights.

"I think we must also talk about individual responsibilities, back to the basic values. This is what I feel very deeply about what women in the developed nations need to realize, to adopt a sense of balance, put back your moral boundaries into your debate and into your behavior and do not always just blame the society for what you must also be responsible in terms of your behavior," she stressed.

Further on Wong Interview

OW2908172695 *Beijing XINHUA in English*
1720 GMT 29 Aug 95

[By Zeng Hu]

[FBIS Transcribed Text] Singapore, August 29 (XINHUA) — A senior government official of Singapore has urged governments all over the world to make conscious efforts to make it possible for women to participate more in decision making at every level.

Dr. Aline Wong, Senior Minister of State for Health and Education, made the appeal in a recent interview with XINHUA and expressed her hope that this will

be a concrete achievement of the upcoming UN World Women's Conference in Beijing.

She said that governments should give more thought to empowerment of women, to think it more consciously and adopt actions. That will make it possible for more women to participate in decision-making at every level.

"That's a very important step forward. If this conference can make the governments take concrete actions to empower women in a concrete manner, not just by agreeing by words in principle to do it, then it will be a great achievement," she said.

However, she added that the very nature in social change is incremental. "Progress can be steady, but we can not expect it to be too sudden, because we are talking about changing people's attitude," she said.

On problems and future challenges which will confront women in the world, Dr. Wong, the only woman minister in the current government cabinet, said that a great problem in not a too distant future is the aging of the population.

"Not only will aged women predominate in the population of the elderly, because women outlive men, but because women have always been the care-givers in the families. So, the burden of an aging population will also fall on an increasing number of women who are aging themselves," she observed.

"So, we must think very carefully about what are the solutions to help women cope with the implications of an aging population, because not only they themselves will age, but they have to be responsible for more members who are also elderly in the population," she said.

Another challenge in the future, she said, is the rapid change in technology. As technology is changing so rapidly, there will be no such a thing as a life long job. And this will hit women as well as men and it would be even harder for women to adopt to this new world of technological environment, and to train and retrain than men, she pointed out.

"We must devote more thoughts and resources to helping train the women because they need more help," she urged.

Beijing To Present Album

OW2908161995 Beijing XINHUA in English
1612 GMT 29 Aug 95

[FBIS Transcribed Text] Beijing, August 29 (XINHUA) — An album of some 50 successful Beijing women in the fields of politics, science, industry, the arts, and sports has just been published.

The album, titled "Beijing New Women," was edited by the Beijing Municipal Government, and contains an introduction in both Chinese and English on the women's deeds and explains the photos.

The album will be distributed as a gift to delegates attending the Fourth World Conference on Women, which opens on September 4.

Demonstration Site Designated

OW3008065495 Beijing ZHONGGUO XINWEN SHE
in Chinese 1936 GMT 29 Aug 95

[By reporter Li Wei (2621 0251)]

[FBIS Translated Text] Beijing, 29 Aug (ZHONGGUO XINWEN SHE) — In replying to reporters' questions this morning, Tian Qiyu, vice chairman of the Chinese Organizing Committee for the Fourth World Conference on Women who is in charge of security matters, confirmed that a demonstration site had been designated at the venue where the forum of women from non-governmental organizations [NGO] will be held during the world conference on women. He also provided a brief and clear explanation in this regard.

Tian Qiyu said: We have designated a demonstration site at the venue where the NGO women's forum will be held during the world conference on women. This is international practice. "However, such demonstrations may not infringe upon the host country's sovereignty, nor attack or vilify the host country's state leaders. They may not involve violent acts against other people."

Tian Qiyu added: Applications should be filed with the local Chinese police for demonstrations outside the forum's venue.

Tian Qiyu noted: The demonstration site thus designated falls within the boundaries of the venue where the NGO women's forum will be held; that is, inside the school yard of Beijing's Huairou No. 1 Middle School.

Tian Qiyu emphasized: As the host country, China has tried its best to make the world conference on women a success by creating good external conditions for the conference, including a good environment of public order. Accordingly, China has instituted some necessary security measures. He asserted: This "applies without exception" to other countries.

On whether there will be restrictions on entry, Tian Qiyu said: We will act according to China's laws and regulations on entry and exit control. This is also in keeping with international practice.

Tian Qiyu made the foregoing answers during a news briefing held by the Chinese Organizing Committee for the Fourth World Conference on Women.

Brazilian Delegates To Attend

OW3008042695 Beijing XINHUA in English
0132 GMT 30 Aug 95

[FBIS Transcribed Text] Brasilia, August 29 (XINHUA) — About 340 Brazilians have obtained visas from the Chinese Embassy here for the Fourth World Conference on Women, to be held in Beijing on September 4-15.

Embassy officials said they expect that, in all, more than 400 Brazilians will travel to Beijing to take part in the largest-ever UN Conference on women.

The official 40-member delegation of the Brazilian government will include First Lady Ruth Cardoso, parliamentary deputies and observers.

The Brazilian First Lady, who will arrive in the Chinese capital on Thursday [31 August], will be accompanied by Rosiska Durcy, vice-president of the National Council on Women's Rights, and Presidential Advisor Vilmar Faria.

Burmese Leader on Conference

OW3008063395 Beijing XINHUA in English
0238 GMT 30 Aug 95

[FBIS Transcribed Text] Yangon [Rangoon], August 30 (XINHUA) — A Myanmar [Burmese] leader said Myanmar, being an active member of the United Nations taking part in every movement organized by the UN, will attend the 4th World Women's Conference in Beijing, China, with the aim of participating in it.

The remark was made here Tuesday [29 August] by Lieutenant General Khin Nyunt, first secretary of the Myanmar State Law and Order Restoration Council (SLORC) in meeting with Myanmar delegates to the women's conference, according to an official report of The New Light of Myanmar today.

The first secretary said that unlike women of other nations, Myanmar women are enjoying equal rights with men.

He noted that Myanmar women can enjoy rights provided by law and there are separate laws safeguarding women's rights.

Myanmar delegation's attendance is not to demand for Myanmar women, but to present objective conditions of the rights enjoyed by Myanmar women and improvement of their status, he said.

He emphasized that if there are false statements on Myanmar women in reports, declarations, etc., Myanmar delegates will object categorically and clarify them.

He pointed out some Western nations are fabricating and disseminating news that women in the Western and

European nations are enjoying rights but those in Asian and African nations are not.

He made it clear that should there be any accusations against Myanmar, the delegates will clarify the rights of Myanmar women and refute the accusations firmly.

Russian Officials Interviewed

OW3008042395 Beijing XINHUA in English
0317 GMT 30 Aug 95

[FBIS Transcribed Text] Moscow, August 30 (XINHUA) — Two senior Russian woman officials said the Beijing conference on women should work out concrete programs to push governments to improve women's conditions and to ensure the Nairobi Forward-Looking Strategy for the Advancement of Women is implemented.

The Fourth World Conference on Women is scheduled for September 4-15 in Beijing. Russian Social Safety Minister Lyudmila Bezelekina will head a delegation of more than 30 people for the event on Friday [1 September].

In an interview with XINHUA before leaving for Beijing, she said that the Russian delegation will press for the realization of real equality between men and women in various fields.

Alevtina Fedulova, deputy speaker of the State Duma and chairman of the Russian Women's Federation, also told XINHUA that government policy should have more consideration for women's welfare.

A society can develop only when women have confidence and willingness to make contributions to it, said the legislator.

Fedulova, who will attend the conference as a representative of Russian legislature, has been busy preparing for parliamentary elections to be held in December. She said she is trying to ensure that more women will be elected into the legislature.

Fedulova stressed that the entire international community should cast away the old idea which underestimates women's abilities.

The two officials also gave an account of the conditions of the Russian women, saying that the government has been trying to encourage women's participation in state affairs, increase their employment, improve their health and halt violence against them.

Cooperation of Press Urged

*OW3008083995 Beijing XINHUA in English
0720 GMT 30 Aug 95*

[FBIS Transcribed Text] Huairou, Beijing, August 30 (XINHUA) — A leading organizer of the Non-governmental Organizations Forum on Women (NGO) today called for cooperation of the media in the NGO coverage during the following days in Beijing.

Trene M. Santiago, NGO executive director, said at a press conference at Huairou, the NGO venue, that 30,000 participants at the forum will work together in the next 10 days to formulate programs and establish networks for the development of women, and make proposals on the Platform of Action to be adopted at the upcoming UN Fourth World Conference on Women (FWCW).

She said activities during the forum will be rich and plentiful, as 5,000 meetings, discussions, exhibitions and performances are expected to be held or staged.

The executive director told reporters that participants will focus on "what is the substance" and the agenda for the next ten years. "I think this is the story. You can help us communicate this," she added.

But she said: "You have to be very, very disciplined, or you get to be going supermarket shopping."

About 2,000 reporters from around the world have registered to cover the forum and FWCW, according to organizers. The FWCW is expected to be the largest gathering of women in the history of the United Nations.

The majority of those packed in the press room today were woman reporters.

UN Secretary-General Butrus-Ghali Interviewed

*OW3008061795 Beijing XINHUA in English
0515 GMT 30 Aug 95*

[By Li Jianxiong]

[FBIS Transcribed Text] United Nations, August 29 (XINHUA) — UN Secretary-General Butrus Butrus-Ghali said Tuesday [29 August] that he is optimistic about the outcome of the Fourth World Conference on Women to be held in Beijing.

The conference is "another proof of China's role in international affairs and the strengthening of the United Nations," he added.

The secretary-general made the remarks in an interview with XINHUA and other Chinese news media here before his departure for Beijing.

Butrus-Ghali said the conference, held during the U.N.'s 50th-anniversary year, is a continuation of a series of UN conferences held in recent years on the environment, human rights, population, and social development. Dealing with problems involving 50 percent of the world's population, the conference exceeds past UN conferences in scale and influence, he said.

"Development is a prerequisite of peace, (and) we will not have peace without development," Butrus-Ghali said, and went on to emphasize that development efforts cannot succeed without the full participation of women.

On the outcome of the conference, he said member states have reached agreement on 80 percent of the Platform for Action, to be adopted at the end of the conference. Remaining problems will be resolved at the conference by consensus, he said.

The UN leader said that during his stay in Beijing he will exchange views with Chinese leaders on issues including reform of the Security Council, disarmament, the situation in the former Yugoslavia and developments in Africa. Such contacts are very important, he said, because the United Nations needs the support of China, a permanent member of the Security Council.

Commenting on the U.N.'s achievements over the past 50 years, he described decolonization as number one. There were only three African member states when the world body was created in 1945, he pointed out. Now there are 53.

In these post-Cold-War years, he observed, the world is entering a new era and the international community faces a new set of problems centering on population, environment, poverty and drugs. Nations cannot solve these individually; all nations must cooperate to find a global solution.

Butrus-Ghali stressed that the United Nations, which is both a forum and a tool for problem-solving, is the only international organization capable of fulfilling this role.

On UN's One-China Position

*OW3008042095 Beijing XINHUA in English
2024 GMT 29 Aug 95*

[FBIS Transcribed Text] United Nations, August 29 (XINHUA) — UN Secretary-General Butrus Butrus-Ghali on Tuesday [29 August] reiterated the UN One-China position, stating that "there is only one China and Taiwan is an integral part of China."

He made the remarks in an interview with XINHUA and other Chinese media accredited at the United Nations and New York.

When asked to comment Taiwan's attempt to overthrow UN General Assembly Resolution 2758, the Secretary-General said "The resolution is there. For the United Nations, there is only one China and Taiwan is an integrated part of China. This is the position of the United Nations."

The resolution, adopted in 1971, restored all the legitimate rights of the People's Republic of China in the United Nations and expelled the representatives of the Taiwan authorities from the world body and all its agencies.

Since 1993, the Taiwan authorities have tried hard to push forward the campaign of "returning to the United Nations," but have failed.

Zhu Rongji Meets Allies From World War II

OW2908143195 *Beijing XINHUA in English*
1417 GMT 29 Aug 95

[FBIS Transcribed Text] Beijing, August 29 (XINHUA) — Chinese Vice-Premier Zhu Rongji said here today that the Chinese people will never forget the contributions made by international friends in China's War of Resistance Against Japan.

In a meeting with 20 international friends who helped the Chinese people in the war against Japanese aggression, Zhu, on behalf of the Central Committee of the Communist Party of China (CPC) and the State Council, extended cordial greetings to the veterans, who are now in their 70s or 80s.

Zhu, also a member of the Standing Committee of the Political Bureau of CPC Central Committee, said that the Chinese people have had noteworthy progress in reforms and opening up, and in the modernization drive under the leadership of the CPC Central Committee with Jiang Zemin as its core. "We are full of confidence about the future of our nation," he commented.

Isreal Epstein, Ruth Weiss, and Betty Chandler were among the veterans invited here today to the forum which was entitled "International Friends and the 50th Anniversary of the Victory of China's War of Resistance Against Japan."

United States & Canada

Column Notes, Examines Harry Wu Remarks

HK3008055295 *Hong Kong WEN WEI PO in Chinese*
26 Aug 95 p A3

["Political Talk" column by Shih Chun-yu (2457 0689 3768): "On Wu Hongda's Admission of Guilt, and His Expulsion"]

[FBIS Translated Text] Wu Hongda's Talks After His Return to the United States

After returning to the United States following his expulsion from China, Chinese-American Harry Wu Hongda went so far as to say that were it not for his U.S. citizenship, he would not have been released so quickly, and he felt it an honor to escape from serving his prison term on the mainland owing to his U.S. citizenship. This is a manifestation of out-and-out slavishness. What more can people say to such a man, whose character, personality, and ethics have degenerated to an incurable degree?

In his "statement of confession" he confessed to the crimes he had committed during his trips to China: Stealing and collecting state secrets on behalf of, and illegally providing them to institutions, organizations, and personnel outside the border, and impersonating state functionaries to go about cheating people. In the face of irrefutable evidence he could not deny his crimes, but had to admit them one after another. Since the whole process was videotaped, he could say nothing against it.

The "statement of confession" was written by Wu Hongda and submitted to the court. In his final statement at the court, he pleaded guilty and expressed his readiness to abide by the law. It was precisely because of this that the Chinese court — while considering his criminal facts and evidence, his relatively good attitude in admitting his guilt, and the circumstances whereby his crimes were taken advantage of by other people — decided to expel him from China. The factor of Sino-U.S. relations seemingly has been taken into consideration too [kan lai ye kao lu dao zhong mei guan xi de yin su zai nei 4170 0171 0048 5072 1982 0451 0022 5019 7070 4762 4104 0936 4790 0961 0355].

U.S. Passport Is Not a Protective Talisman

As a Chinese-American, Wu thought that by possessing a U.S. passport he would be able to do what he liked in China and to realize his fond dream of an adventurer. He eventually made a grievous mistake. His fall into disrepute amply serves as a lesson to other foreign passport-holders who are bent on opposing China. That

is to say: Do not ever try to take U.S. passports as a piece of "tiger fur," and come to China to engage in anything that goes against the conscience or to do a disservice to your forefathers, then hope for U.S. "protection." Such people are looked down on not only by the people of their motherland, but also by the people of the country in which they reside. The U.S. Government appreciates and "commends" them just because they engage in running-dog acts at the behest of others.

During Wu's detention, some foreign nationals of Chinese origin and "pro-democracy" activists outside the border demonstrated and shouted slogans in front of China's embassies and consulates (including the XINHUA Hong Kong Branch), and delivered letters of protest. After seeing the "statement of confession" personally written by Wu Hongda, they must have felt a heavy slap on the face, and they should be vigilant in the future.

Moreover, Wu's wife called on the U.S. Government to take a "tough line" against China, saying that China fears only the strong. Her facial expression of wishing the United States to take action against China and her wild howls before the cameras were disgusting and made people's flesh creep. However, it is not known if she reacted like a shrew when she learned that Wu once seduced a female student in Wuhan.

Those Regarding the Enemy as Kith and Kin Make Fools of Themselves

During the Wu Hongda incident, those people who forgot their own origins and regarded the enemy as kith and kin made big fools of themselves. This is a good thing because feeling shame is close to bravery. It is hoped that they will mend their ways next time.

It gives no cause for much criticism when Chinese acquire foreign passports, earn a living abroad, or emigrate overseas to live a peaceful life in their twilight years, and China has never been opposed to this. However, it is despicable for those who willingly come to China at the beck and call of foreign institutions to engage in criminal activities and attempt to rely on the "backing" of foreign forces. No matter where they go, such people still stink.

Thousands of foreign nationals of Chinese origin who have emigrated abroad — like Yang Chen Ning, Lee Tsung-Dao, and Jen Chih-kung — never forget to serve as a bridge in Sino-foreign cultural, scientific, and technological exchanges, and have done their utmost to train competent personnel for China. Their spirit is admirable. There are also a large number of foreign entrepreneurs and businessmen of Chinese origin residing abroad who,

wishing to see China's early modernization, make investments in China and introduce modern management expertise. On the one hand, they seek the development of their own undertakings; on the other, they contribute to the prosperity of their native place by raising funds to set up schools and develop communications. Moving deeds of this kind have been numerous since the start of reform and opening up. Moreover, quite a few foreign academics of Chinese origin residing abroad have come to China to offer advice on economic development. They understand that when the Chinese economy develops, reform of the political structure naturally will keep pace, and that we should not be overanxious for quick results. They are opposed to subversion of China's political power, which pursues reform and opening up, and are opposed to acts of splitting the motherland by Taiwan independence elements. By comparison, Wu Hongda and his ilk are the scum among foreign nationals of Chinese origin residing abroad.

Near East & South Asia

Sino-Indian Border Task Force Holds Talks

OW3008035995 Beijing XINHUA Domestic Service
in Chinese 1427 GMT 20 Aug 95

[By reporter Li Jiasheng (2621 1367 5116)]

[FBIS Translated Text] New Delhi, 20 Aug (XINHUA) — The eighth round of talks of the Sino-Indian Joint Working Group on the Boundary Question and consultations between India and China at the vice foreign ministerial level were held here from 18 to 20 August. Through joint efforts by the two sides, positive progress [ji ji jin zhan 4480 2817 6651 1455] was made in implementing the agreement signed by the two countries on maintaining peace and tranquility in border areas.

Tang Jiaxuan, head of the Chinese delegation and vice foreign minister, and Salman Haider, head of the Indian delegation and foreign secretary, today signed a summary of minutes of the talks. The two sides reached a consensus [da cheng yi zhi yi jian 6671 2052 0001 5268 1942 6015] on the following issues:

1. The two sides agreed to dismantle the four closest posts in the Wangdong area this year to disengage the armed forces of the two countries;
2. The two sides reached a consensus on the list of areas on which the two countries have different views as far as the alignment of the actual control line is concerned, and agreed to solve their differences over these areas one by one through consultations;
3. The two sides agreed to increase the exchange of visits between the border security authorities and military organs of the two countries. Border security personnel from the two

countries decided to hold their first meeting at the Naiduila pass in September.

The two sides decided to hold the next round of talks of the Sino-Indian Joint Working Group on the Boundary Question and the meeting of the diplomatic and military experts' group in Beijing during the first and second quarters of next year, respectively.

During his meeting with Indian Foreign Minister Pranab Mukherjee on 18 August, Tang Jiaxuan said: Both China and India are two large, heavily populated developing countries that play a decisive role in international affairs. He pointed out: The present international political and economic situation has provided the two countries with good opportunities. He expressed the hope that the two countries would further develop their good-neighbor and friendly relations and mutually beneficial cooperation; expand economic, trade, scientific, and technological exchanges; and strengthen cooperation in international affairs on the basis of the five principles of peaceful coexistence.

Foreign Minister Mukherjee stressed: India attaches importance to developing relations with China [zhong shi fa zhan tong zhong guo de guan xi 6850 6018 4099 1455 0681 0022 0948 4104 7070 4762], and is willing to further tap the potential for expanding economic cooperation and trade between the two countries. He expressed the hope that the further improvement of relations between the two countries would promote peace and stability in the region and even in the world at large.

West Europe

Official Leaves for Portugal, Belgium, Greece
OW2808070595 *Beijing XINHUA in English*
0640 GMT 28 Aug 95

[FBIS Transcribed Text] Beijing, August 28 (XINHUA) — Li Chengren, deputy head of the International Liaison Department of the Chinese Communist Party Central Committee, left here today for a goodwill visit to Portugal, Belgium and Greece.

Li will tour the three countries as guest of the Socialist Party-French-Speaking Wing of Belgium, the Communist Party of Portugal and the Communist Party of Greece.

Icelandic Officials Pay State Visit

Trade Agreement Signed
OW2908073095 *Beijing XINHUA in English*
0651 GMT 29 Aug 95

[FBIS Transcribed Text] Beijing, August 29 (XINHUA) — Chinese Vice-Premier Li Lanqing met with Halldor Asgrimsson, minister of Foreign Affairs and Trade of Iceland, at the Great Hall of the People here at noon today.

Both expressed satisfaction with the smooth development of economic relations and trade between the two countries, and agreed that the two countries have their own economic advantages and can learn from each other in some aspects.

They also shared the same view that there exist good prospects for bilateral economic co-operation.

During the meeting they exchanged views on Sino-Icelandic co-operation in fisheries, geothermal energy and aluminum smelting.

After the meeting Li Guohua, vice minister of Foreign Trade and Economic Co-operation, and Asgrimsson signed an agreement on establishing the Sino-Icelandic Mixed Commission on Trade and Economic Co-operation.

Jiang, Finnbogadottir Meet
OW2908111995 *Beijing XINHUA in English*
1109 GMT 29 Aug 95

[FBIS Transcribed Text] Beijing, August 29 (XINHUA) — Chinese President Jiang Zemin met with Iceland President Vigdis Finnbogadottir in the Great Hall of the People here today.

Jiang extended a warm welcome to the Iceland President who is the first head of state of Iceland to pay a state visit to China.

Before the meeting, Jiang held a grand welcome ceremony in Finnbogadottir's honor and accompanied her to review the guards of honor of the Chinese People's Liberation Army.

Further on Presidents' Meeting
OW2908135995 *Beijing XINHUA in English*
1344 GMT 29 Aug 95

[FBIS Transcribed Text] Beijing, August 29 (XINHUA) — Chinese President Jiang Zemin said here today that China, as the host country, attaches great importance to the success of the Fourth World Conference on Women.

Meeting this afternoon with his Icelandic counterpart, Vigdis Finnbogadottir, Jiang said that China has put in a great deal of manpower, funding, and resources in preparing for the conference.

"We wish to cooperate with all parties concerned and try our best to hold this meeting well to make a contribution to improving the global status of women," he said.

Jiang pointed out that the Chinese government has always placed great importance on improving women's status and has always regarded them as "holding up half the sky".

China also believes that improving the women's status will be one of the important signs by which a society's development and progress are judged, Jiang said.

The Chinese president noted that Finnbogadottir has been president of Iceland for many years and that she is an outstanding representative of international women's circles.

"We are very glad that Finnbogadottir will attend the Fourth World Conference on women as a special guest invited by the Chinese Government," Jiang said.

Finnbogadottir said that she will do her utmost to contribute to the success of the Women's conference as a spokeswoman who has worked for the women's cause for a long time.

She spoke highly of the unremitting efforts and important contributions that China has made for the conference.

After the meeting, Jiang gave a banquet in honor of Finnbogadottir and her party who arrived here this morning on a state visit to China as Jiang's guests.

This afternoon, Jiang held a welcoming ceremony for the Icelandic president and her entourage.

Leaders View Relations

OW2908151495 Beijing XINHUA in English
1433 GMT 29 Aug 95

[FBIS Transcribed Text] Beijing, August 29 (XINHUA) — Chinese President Jiang Zemin said here today that China is willing to tap potential and to open new areas for cooperation with Iceland and to raise bilateral relationship to a new level.

Jiang made these remarks during a meeting with visiting Icelandic President Vigdis Finnbogadottir.

He noted that China and Iceland have enjoyed very good relations since they established diplomatic ties in 1971 and their exchanges and cooperation in the economy, trade, and science and technology are growing.

An agreement on a Sino-Icelandic Mixed Commission on Trade and Economic Cooperation signed by the two sides today will have a positive effect on bilateral relations, economic ties, and trade in particular.

Finnbogadottir said Iceland and China have close relations and high-ranking officials have exchanged visits frequently over the past few years.

Iceland has advanced technology for using geothermal energy resources and fishery development, she said, adding that bilateral cooperation in these areas has been progressing and there still exist prospects for cooperation.

She expressed the hope that this visit will deepen mutual understanding and promote mutually beneficial cooperation.

Jiang said that Iceland has had great achievements in economic construction and social development, and that China can learn from Iceland's experience and technology in fisheries, processing fishery products, and the utilization of geothermal energy resources.

He noted that Finnbogadottir is the first head of state of Iceland to visit China since the two countries forged diplomatic ties, and that her visit to China is a major event in the history of Sino-Icelandic relations, which will surely give impetus to increasing mutual understanding and pushing bilateral ties.

Jiang said that he appreciates the positive efforts that Finnbogadottir has made for many years in advancing bilateral ties and cooperation.

Foreign Ministers Discuss Ties

OW2908130995 Beijing XINHUA in English
1252 GMT 29 Aug 95

[FBIS Transcribed Text] Beijing, August 29 (XINHUA) — The bilateral relations between China and Iceland have now entered the best period since the two countries forged formal diplomatic ties, foreign ministers of both the countries announced here today.

The comment was made at the talks here between Qian Qichen, Chinese Vice-Premier and Foreign Minister, and Halldor Asgrimsson, Minister of Foreign Affairs and Trade of Iceland.

The two minister held that the ongoing visit by Iceland President Vigdis Finnbogadottir is a big event in the history of the bilateral relations, believing the visit would exert great impact on advancing the relations.

On the forthcoming United Nations 4th World Conference on Women to be held early next month, the two

ministers believed it would contribute to raising the status of women throughout the world. While appreciating China's efforts in preparing the conference, Asgrims-son, as well as Qian, wished the conference a success.

Iceland supports Chinese government's "one China" policy, the Iceland minister said. Qian appreciated the Iceland government's stand.

During the talks, the two ministers also exchanged views on a series of international issues of common interest, including the boundaries of high seas, the protection and management of immigrating fishes and the reform of the United Nations.

Political & Social**Wu Bangguo Leads Delegation to Lhasa Festival**

OW2908170095 *Beijing XINHUA in English*
1647 GMT 29 Aug 95

[FBIS Transcribed Text] Lhasa, August 29 (XINHUA) — A central delegation to participate in a celebration of the 30th anniversary of the founding of the Tibet Autonomous Region arrived in Lhasa, the regional capital, by special plane this morning, and was greeted by local leaders and more than 6,000 lamas and laymen.

There are more than 70 persons in the delegation, which is led by Vice-Premier Wu Bangguo, also member of the Political Bureau of the Central Committee of the Communist Party of China (CPC).

According to local officials, Tibet has prepared a number of events to mark the anniversary, which is on September 1.

At Gonggar Airport, 93 km from Lhasa, colorful streamers were fluttering in the wind and the atmosphere was joyful. Scrolls with slogans saying "Thank the CPC Central Committee and the State Council for their Cordial Attention" and "Thank the people of the whole country for their generous help for Tibet", written in both Chinese and Tibetan, could be seen in the breeze.

When the plane carrying the delegation landed at Gonggar Airport around 11 a.m. amid cheers, more than 700 Tibetans, all in their best festive costumes, danced merrily, while a youth band played and lamas blew their long religious horns.

Local leading party, government, and army officials, as well as Pagbalha Geleg Namgyai, Vice-Chairman of the Standing Committee of the National People's Congress (NPC) and deputy leader of the delegation, greeted the delegation at the airport.

Tibetan residents presented each of the delegation members with a hada, a piece of silk used as a greeting among members of the Tibetan nationality, and jubilant Tibetan children presented the delegation with fresh flowers.

The delegation consists of officials of the CPC Central Committee, the NPC Standing Committee, the State Council, the National Committee of the CPPCC, the People's Liberation Army, and members of the All-China Federation of Trade Unions, the Central Committee of the Communist Youth League of China, the All-China Women's Federation, and leaders of the provinces, autonomous regions and municipalities who have undertaken aid projects in Tibet.

Ismail Amat, State Councilor and head of the State Nationalities Affairs Commission, and other high-ranking

officials were on hand to see the delegation off at the Beijing airport this morning.

An art troupe with more than 40 artists also arrived here today to put on shows for the Tibetan people.

State Council Submits Law Drafts to NPC

OW2908135495 *Beijing XINHUA Domestic Service in Chinese* 1116 GMT 23 Aug 95

[FBIS Translated Text] Beijing, 23 Aug (XINHUA) — Today, the State Council submitted three bills — the draft of the Law on Controlling and Treating Environmental Pollution by Solid Waste, the revised draft of the Statistics Law, and the revised draft of the Food Hygiene Law — to the 15th meeting of the Standing Committee of the Eighth National People's Congress [NPC] for deliberation.

In the motion asking for deliberation, Premier Li Peng explained the importance of adopting and revising the three drafts, and said the three drafts had all been discussed and passed by the executive meeting of the State Council.

Being entrusted by the State Council, Xie Zhenhua, director of the State Environmental Protection Bureau; Zhang Sai, director of the State Statistical Bureau; and Chen Minzhang, minister of public health, separately gave explanations of the three drafts.

When explaining the draft of the Law on Controlling and Treating Environmental Pollution by Solid Waste, Xie Zhenhua said controlling and treating environmental pollution by solid waste is an important aspect of environment protection. In our country, a huge quantity and a vast variety of solid waste is discharged every year, and the character of the waste is complicated. Environmental pollution caused by solid waste is serious. According to statistics, in 1993 620 million tonnes of solid waste was discharged by industry (not including industrial enterprises at village and town levels) in the whole country; the quantity of piled-up industrial solid waste in the whole country reached 5.92 billion tonnes; 120 million tonnes of rubbish was generated by urban residents in their day-to-day lives; at present, two-thirds of cities in the whole country are encircled by rubbish. Because it is constrained by technical, financial, and management factors, at present our country remains at a low level in the field of handling and disposing of solid waste; in most cases, such waste has not been handled and disposed of according to the requirement of being safe and harmless. Accidents caused by solid waste pollution occur every year. In 1990 alone, there were 103 cases of such accidents, which caused serious consequences and tremendous losses. According to incomplete statistics, every year over 9 billion yuan worth

of economic losses are caused by solid waste pollution; and the value of resources not being used or not being fully used, as solid waste exceeds 25 billion yuan. [sentence as published]

He said: To prevent environmental pollution caused by solid waste, the state has adopted a series of management measures. With regard to legislation, the Law on Environmental Protection, the Law on Maritime Environmental Protection, the Law on Controlling and Treating Water Pollution, the Law on Controlling and Treating Air Pollution, and some laws on protecting and managing natural resources, such as the Water Law, and the Mineral Resources Law, were adopted and put into force. These are all related to controlling and treating solid waste pollution and to reasonably using solid waste. In addition, the State Environmental Protection Bureau and relevant departments of the State Council and some local people's governments also formulated some rules and regulations on preventing and controlling environmental pollution caused by solid waste. These include the Regulation on Preventing and Treating Pollution Caused by Mine Tailings, the Regulation on Preventing Environmental Pollution Caused by Power Equipment Containing Polychlorinated Biphenyl and Its Waste, the Regulation on Preventing and Treating Environment Pollution Created in the Production of Chromium Compounds, the Procedure for Managing Solid Waste and Discarded Materials in Hunan Province, and the Procedure for Managing, Preventing, and Treating Solid Waste in Chengdu City.

Xie Zhenhua said: Although the current laws, rules, and regulations provide certain foundations for preventing and controlling environmental pollution caused by solid waste and for relevant supervision and management, they are still far from sufficient in meeting the needs to prevent and harness solid waste pollution. Some of the existing laws include provisions on preventing and harnessing solid waste pollution, but they are still piecemeal, incomplete, and disintegrative provisions. Some of them are only related to certain types of solid waste, and some are only applicable to certain aspects of preventing and harnessing solid waste pollution. The ineffectiveness of the rules and regulations will make it hard to set up basic systems and solve basic problems in the field of preventing and controlling solid waste pollution. In the course of preventing and controlling solid waste pollution and exercising supervision and management in this field, we still lack corresponding legal foundations in many aspects, and it is urgently necessary to formulate an explicit and special law for this purpose. Therefore, it is definitely necessary and urgent to further environmental legislation in our country; formulate a law on preventing and controlling solid waste pollu-

tion; comprehensively and systematically formulate the basic principles, systems, policies, and measures for preventing and controlling solid waste pollution; establish the corresponding supervision and management system and affix legal responsibilities, and thus further base the work of preventing and controlling solid waste pollution on the legal system.

Xie Zhenhua also mentioned the course of drafting the law in his report, and explained about reporting and registering the discharge of industrial solid waste and dangerous waste; the responsibilities of enterprises and institutions for handling and disposing of industrial solid waste and dangerous waste; the administrative measures for handling and disposing of dangerous waste; and the management of licenses for dangerous waste.

In his explanation to the revised draft of the Statistics Law, Zhang Sai said: The Statistics Law was passed on 8 December 1983 by the third meeting of the Sixth NPC Standing Committee. In the 11 years since its implementation, the law played a positive role in promoting the reform and development of our country's statistical work, enhancing the accuracy and scientific character of our statistical information, exercising statistical supervision over the national economy, and improving the role of the statistical work in serving the state's macroeconomic policy-making. However, since 1983, with the in-depth development of reform and the expansion of opening up, great changes have occurred in our nation's social life, and many provisions in the Statistics Law are no longer suited to the needs of developing the socialist market economy. In particular, in a recent period, such phenomena as making false reports by exaggerating figures and other means of practicing fraud appeared in the statistical work of some localities and some units, and this had extremely harmful and adverse effects. Therefore, it is urgently necessary to make pertinent additions and improvements to the Statistics Law.

He said: During the Third Session of the Eighth NPC in March this year, many people's deputies sternly criticized the practice of making false reports by exaggerating figures and employing trickery in the current statistical work. The Standing Committee of the Eighth NPC particularly listened to the report about the conditions of statistical work at its 14th meeting, and members of the NPC Standing Committee expressed many good opinions on revising the Statistics Law.

Zhang Sai added: The work of revising the Statistics Law began in the first half of 1990. In past years, through in-depth investigations and studies, extensive collection of opinions, summing up of our practical experience, taking foreign experience in statistical legislation as a reference, and repeated consideration and re-

vision, we produced the current revised draft. The draft more clearly specifies the responsibilities of leaders, statistical organs and personnel in various localities, departments, and units; intensifies the penalties on those practicing fraud and making false statistical reports; improves the responsibility system for guaranteeing the timeliness, authenticity, and accuracy of statistics; sets forth various measures for guaranteeing that statistical organs and their personnel will fulfill their duties according to the law; reforms and improves the methods of statistical investigation and the work system for reducing errors in statistics and guaranteeing their authenticity and reliability; and gives prominence to the settlement of the problem related to false reports and exaggeration in the statistical work.

Zhang Sai also explained such main points in the revised draft as the basic tasks of statistics, the responsibilities of the leaders and the statistical organs and personnel; the issue of guaranteeing the timeliness, authenticity, and accuracy of statistics; the methods of statistical investigations; the management of nonofficial statistical investigations and statistical investigation activities conducted by organizations and individuals from outside Mainland China, and the legal responsibilities.

When explaining the revised draft of the Food Hygiene Law, Chen Minzhang said: The Food Hygiene Law (Trial) was adopted by the Standing Committee of the Fifth NPC at its 25th meeting on 19 November 1982. Over the past 12 years, the trial law played an important role in guaranteeing food hygiene, preventing the effects of food pollution and other harmful factors from harming people's health, and improving public health. The condition of food hygiene in our country has improved markedly; the rate of measuring up to the standard in the examination of food hygiene rose from 61.5 percent before the law's implementation to 82.2 percent in 1994. The number of incidents of food pollution, food-caused diseases, and food poisoning decreased substantially. Take food poisoning as an example: in 1985, 76,213 people suffered from food poisoning and there were 620 deaths; in 1994, the number of people suffering from food poisoning decreased to 37,235 people, and there were 264 deaths. Both the incidence rate and the death rate were lowered substantially.

Chen Minzhang said: With the in-depth development of economic structural reform, some new conditions and new problems appeared in the field of food hygiene; some provisions of the trial law cannot completely meet the new needs; and the people are still discontented with the condition of food hygiene. The prominent problems are: There are practices not meeting food hygiene requirements in food production and even illegal practices of producing foods whose production is not allowed;

there is still a lack of necessary administrative means of enforcing the rules and regulations concerned, and the penalties for illegal behavior in food production are not stern enough; the trial law does include provisions or perfect provisions on the issue of hygiene inspection for imported foods and for the so-called health food appearing everywhere. To more effectively implement the Food Hygiene Law and to enable the people to eat with ease, it is necessary to make additions and improvements to the trial law.

He said: The Ministry of Public Health and the State Council's Legislative Affairs Bureau embarked on revising the trial law and formulated the current revised draft on the basis of summing up experiences in implementing the trial law and extensively soliciting opinions from various central state organs, local people's governments, and consumers. From beginning to end, the revision followed the legislative principle of guaranteeing the people's health and improving the people's physique; and served the purpose of guaranteeing that the people will be able to eat with ease. To guarantee the stability and continuity of the Food Hygiene Law, all provisions that have proved effective in practice or can remain unchanged are maintained and not changed. In the course of revision, attention was mainly paid to a number of prominent issues, namely, further improving the food hygiene inspection and supervision system, intensifying the administrative means and the penalties for behavior that violates the law, intensifying management of imported food, defining more clearly the responsibilities of enterprises producing and handling food, and intensifying hygiene management over food sold by street food stalls.

Chen Minzhang also explained the issues of intensifying the administrative means for enforcing the law on food hygiene, further improving the state's food hygiene supervision system, managing imported foods for which there are still no state standards or which are said to have special effects on people's physical conditions, managing various types of food markets, and improving relevant administrative and law enforcement means.

Official Discusses 'Decision' on Financial Fraud

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4 Jul 95 p 3

["Interview" by staff reporter Su Ning (5685 1337) with Hu Kangsheng, vice chairman of the Commission of Legislative Affairs of the National People's Congress Standing Committee: "An Important Weapon To Punish Financial Fraud"]

[FBIS Translated Text] To safeguard the sound and orderly development of the socialist market economy,

the Standing Committee of the National People's Congress [NPC] enacted in succession supplementary regulations on punishing the crimes of tax evasion and tax resistance; supplementary regulations on punishing the crimes of faking registered trademarks; regulations on punishing the crimes of producing and marketing fake and poor commodities; and the decision on punishing the crimes of breaking the company law. On 30 June, the 14th Meeting of the NPC Standing Committee again passed by vote the "Decision on Punishing Crimes Undermining the Monetary Order," which will take effect the day it is promulgated. With some "related" questions in mind, this reporter recently interviewed Hu Kangsheng, vice chairman of the Commission on Legislative Affairs of the NPC Standing Committee.

Reporter: Under the current situation, what is the practical significance of the enactment of this law?

Hu Kangsheng: Financial crimes are rather serious at present. The number of monetary fraud crimes, such as forging money, letters of credit, and credit cards, increased markedly, with the amount of money involved increasing and the harm produced extremely serious. To dovetail with relevant stipulations in the Law of the People's Bank of China, the Commercial Banks Law, the Law of Bills, and the Insurance Law, it is not only extremely necessary but also extremely urgent that some amendments be made to the relevant stipulations in the criminal law regarding the crime of forgeries of state currency and checks, monetary speculation that violates monetary laws and regulations, as well as the crime of fraud.

Reporter: What criminal offenses is the "decision" aimed at?

Hu Kangsheng: The "decision" focuses on cracking down on monetary fraud crimes mainly in the following areas: Crimes related to forgery (including the printing, smuggling, selling, buying, transport, possession, and use of forged money); crimes that seriously disrupt the monetary order, such as the unapproved establishment of commercial banks or other types of financial institutions to unlawfully absorb or absorb in disguised form bank savings from the public, as well as the illegal pooling of funds by means of cheating; illegally securing loans from banks or other financial institutions; crimes of fraud in bills, letters of credit, and credit cards; and insurance fraud.

Reporter: There have been reports now and then that bank staff violate relevant state rules by granting loans based on personal relations, accepting bribes and commissions under all sorts of pretexts, or even by collaborating with criminal elements to engage in

monetary fraud. Has the "decision" included special stipulations regarding them?

Hu Kangsheng: The "decision" includes clear stipulations concerning occupational criminal offenses by bank staff, including acts to collaborate with criminal elements in society to engage in monetary fraud, to issue loans to people or units with which they have special relations or other people in violation of legal and administrative regulations, to issue letters of credit to other people and incur losses, to ask for and accept bribes or commissions under various guises in violation of state regulations, and to divert the funds of banks or clients for other purposes.

Reporter: Today, when monetary activities are becoming increasingly frequent and complicated, how should one distinguish criminal offenses from non-criminal activities?

Hu Kangsheng: In line with the judicial practice and different situations of various monetary crimes, the "decision" has enacted stipulations defining the criminal offenses. In some cases, once there is an act, it becomes a crime, such as the forgery of money and letters of credit. In other cases, it only constitutes a crime when the person who performs the act is aware of it. In this situation, the "decision" stipulates that the person who performs the act must be aware of it and a certain amount of money must be involved; only then does it become a criminal offense. In still other conditions, the amount of money cheated is used as the demarcation line for a criminal offense: Criminal punishment will be imposed when the amount is fairly large; if the amount is small, only administrative punishment will be meted out. The Supreme People's Court will decide on the specific amounts in line with practical conditions.

Reporter: Compared with the Criminal Law, what changes has the "decision" made regarding sentencing in monetary crimes?

Hu Kangsheng: Considering that at present criminal offenses in the monetary field are serious and generate serious harm, the "decision" stipulates sentences from between 15 years to life imprisonment. For crimes which seriously harm the interests of the state and the people, such as forgery of money and fraud in monetary bills and letters of credit, the "decision" has changed the most severe punishment stipulated in the Criminal Law, life imprisonment, to the death penalty. For crimes of monetary fraud, apart from criminal sentences as stipulated, the "decision" also rules that such property punishments as fines or expropriation will be assessed. Severe economic punishment is aimed at not letting criminals gain any economic benefits. For units that commit offenses, apart from fines, criminal punishment

will be imposed on the persons in charge and those directly responsible for the offenses.

Chen Yun's Work on Industrialization Viewed

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[Article by Zhu Jiamu (2612 0163 2606): "Chen Yun's Important Contributions to the Startup of Socialist Industrialization in China"—first seven paragraphs are abstract]

[FBIS Translated Text] As a member of our party's first-generation leadership collective in charge of national financial and economic work, Comrade Chen Yun played a unique role in the startup of China's socialist industrialization, and his contributions to that process are indelible.

He proposed that while giving priority to the development of heavy industry, putting special emphasis on the development strategies of light industry and agriculture would be a level-headed choice in the context of China's reality.

Paying close attention to investment in capital construction in inland regions preliminarily changed the overemphasis of industry on coastal regions, which was conducive to rational interregional development and national security.

The approach of prioritizing the development of industry under ownership by the whole people, and buying industrial and commercial capitalist businesses by taking advantage of state power played a positive role in unleashing productive forces and ensuring the socialist orientation of China's industrialization process.

Monopoly over the buying and selling of main agricultural and sideline products was an important decision recommended by Comrade Chen Yun to the party center in light of our national conditions at that time. It was beneficial not only to the basic budgetary balance and the fulfillment of the industrial capital investment plans during that period, but also to the improvement of the public living standards, contributing to social stability.

Intellectuals are an indispensable force in the process of realizing national industrialization. Comrade Chen Yun's approach of considering the human resources issue in the context of the industrialization process remains an inspiration in our endeavor to solve the current problems related to education.

The idea that the national economy should show overall balance and develop proportionately was a result of Comrade Chen Yun's long-term exploration and in-

depth thinking about the scale and speed of China's industrialization. The principles he proposed—matching the scale of construction to the national strength, and allowing the speed of construction to grow proportionately and in a balanced way—remain a guideline in the present time. [end abstract]

Achieving industrialization has always been a dream and an aspiration shared by all men of lofty ideals since 1840. However, during the Qing dynasty and the rule of the northern warlords and the Kuomintang reactionary government, those beautiful dreams "all vanished" (Mao Zedong). It was not until 1949, when the CPC had led the people to topple the three big mountains [imperialism, feudalism, and bureaucratic capitalism] and founded the People's Republic of China, that the ideal of national industrialization became a practical and feasible program.

The development under the First Five-Year Plan between 1953 and 1957 laid the initial foundation for China's industrialization. An important reason that China's industrialization could score such amazing achievements within such a short time was that the party center with Mao Zedong at its core, proceeding from China's reality, correctly solved a series of fundamental issues concerning the orientation, strategy, distribution, funding, human resources, scale, and speed of industrialization during the startup period. In this process, Chen Yun, as a member of the party's first-generation central leadership collective and as someone in charge of national financial and economic work, played a unique role. He recommended a series of proposals with profound and far-reaching significance, and made indelible contributions.

The Formulation and Implementation of the First Five-Year Plan, and the Strategy, Distribution, and Orientation of China's Industrialization

The main body of the First Five-Year Plan was socialist industrialization. In this sense, it was also the first five-year plan of China's industrialization process. The deliberations on this plan began in 1951, and the plan was published in 1955. It was formulated five times during those years and, with the exception of the fourth round, Chen Yun was in charge of all the rounds of discussions. Because he was vice premier of the Government Administration Council and concurrently chairman of the Central Financial and Economic Commission at that time, the heavy task of organizing the plan's implementation was also taken on largely by him. The First Five-Year Plan involved many issues, but as far as industrialization was concerned, the priority ones concerned development strategy, distribution, and orientation. On these major issues, Chen Yun fully materialized the intentions

of the party center by taking charge of the formulation and by organizing the implementation of the First Five-Year Plan.

First, regarding the development strategy for industrialization:

To change China from a backward agricultural country into an advanced industrial country was a goal set by the Chinese communists as early as the period of democratic revolution. At that time, however, it was not clear which strategy should be adopted to accomplish that goal. After the founding of New China, this issue was put on the agenda. There were two strategies to choose from then: One was adopted by early industrialized countries, i.e., developing light industry before heavy industry after a large amount of capital had been accumulated; the other was adopted by the former Soviet Union, i.e., giving priority to developing heavy industry and quickly industrializing the nation so as to catch up with the industrial powers. Each strategy had advantages and disadvantages, and opinion inside and outside the party was divided. After weighing the pros and cons again and again, and carrying out in-depth discussions, the party center made the strategic decision of giving priority to developing heavy industry.

Why give priority to developing heavy industry? Was it purely a result of learning from the Soviet Union, or was it a level-headed choice made in view of China's reality? Chen Yun replied to this question in his report on the First Five-Year Plan at the National Party Congress in March 1955. He said: Our country's agriculture is backward. Railways and other forms of transportation are inadequate. They all need developing and expanding. However, the financial resources available for construction under a five-year plan are limited. If we used them evenly and tried to do everything, we would be bound to achieve nothing. Furthermore, without heavy industry, supplying chemical fertilizers, agricultural machinery, diesel oil, and water control equipment will be impossible, and the building of railways and the supply of automobiles, aircraft, boats, fuels, and various kinds of transportation also will be impossible. Besides, it is imperative to expand light industry in order to improve the people's livelihood systematically, but the current situation is that a lot of light industrial equipment is idle because there is a shortage of raw materials from heavy industry, as well as from agriculture. Finally, we are still encircled by imperialism and need to build a strong modern army. All this determines that we have to prioritize the development of heavy industry.

The First Five-Year Plan fully supported this development strategy in terms of capital construction projects, investment, and development speed. The in-

dustrial projects outside the quota (mainly the "156 projects" operated with Soviet support) either filled gaps in our industry or greatly upgraded the previous industrial level, forming the backbone of our modern industry. Over a five-year period, the value of industrial fixed assets rose by 21.4 billion yuan, nearly double the total accumulated over 100 years in old China. The annual industrial growth rate was 18 percent, of which the output of means of production grew by 25.4 percent per annum. The percentage of industrial output value in the total industrial and agricultural output value rose from 30 percent to 43 percent, and the percentage of heavy industry's output value in the total industrial output value rose from 35.3 percent to 45 percent. This greatly reversed the backwardness of old China's industry, especially heavy industry.

While guaranteeing the priority development of heavy industry, Chen Yun consistently paid close attention to light industry and agriculture. In fact, the growth of light industry during the First Five-Year Plan was not slow. The annual output value growth rate reached 14.3 percent and the tax revenue grew by 2.8 times. It not only satisfied the people's demand to a great extent, but also provided accumulated capital in excess of 10 billion yuan for the country's construction. On the agricultural front, based on the fact that the mutual aid teams and cooperatives already founded were able to raise output value by 15 to 30 percent on average (later verified as 10 to 20 percent), the First Five-Year Plan, apart from investing in agriculture 7.6 percent of the total capital construction expenditure (or 15 percent, if local investment in water control projects, army farm development funds, rural relief funds, Huang He harnessing funds, and long-term agricultural credit were taken into account), gave maximum support to the collectivization process in financial terms. By 1957, grain output had reached 185 billion kg, an increase of 30 billion kg compared to 1952, representing an increase rate of 19.8 percent. As the First Five-Year Plan drew to a close, Chen Yun proposed adjusting the investment ratios in heavy industry, light industry, and agriculture on the basis of the principles explained by Mao Zedong in "On 10 Major Relationships," in light of the contradictions that had been exposed in the earlier work and the fact that a preliminary foundation had been built up for industrialization. He suggested increasing the comparative investment in light industry and agriculture and in those sectors of heavy industry that serve light industry and agriculture. These suggestions further improved the development strategy for industrialization.

Second, regarding the distribution of industrialization:

Industry in old China not only had a weak foundation, but its distribution was also extremely irrational. The coastal region (mainly a number of large cities) only took up 10 percent of the national territory, but 80 percent of all China's industrial facilities were concentrated in this region. What was really a better distribution? Chen Yun began to ponder this question as early as in 1950 when studying Soviet-aided projects. He pointed out: "We must have a strategic vision when developing industry. To choose a site, we must look at its resources and conditions. We have to think carefully before we put something somewhere." Later, the First Five-Year Plan distributed most of the industrial construction units above the quota in the central, western, and northeast regions. By 1957, the percentage of inland capital construction investment in the total national investment rose from 39.3 percent in 1952 to 49.7 percent, and the percentage of inland industrial output value in the national industrial output value rose from 29.2 percent in 1952 to 32.1 percent. It preliminarily changed the overconcentration of industry in the coastal region, and was conducive to both the rational development in various regions and national security.

Chen Yun made timely suggestions for remedying some errors and lapses made during the process of redistributing industry, such as a lack of attention to the role of old industrial bases along the coast and a rush to arrange complete packages of industrial projects within some administrative regions and provinces as a result of incomplete interpretation of the policy of establishing an independent industrial system. In 1955, he criticized the departmentalist and localist viewpoints that emphasized inland development only. He also pointed out: "The establishment of an industrial system must start on a national level, and then move on to all cooperating regions, before reaching many provinces and autonomous regions"; "any attempt to establish a complete, all-inclusive, independent industrial system within a province or autonomous region is impractical." All his opinions were later proved correct.

Third, regarding the orientation of industrialization:

The First Five-Year Plan was formulated on the basis of the party's general line for the transitional period. Therefore, Chen Yun suggested that the objective of the First Five-Year Plan should be: To establish a preliminary foundation for our country's socialist industrialization, defense modernization, agricultural collectivization, and to capitalist industry and commerce, socialist transformation. In other words, the orientation of China's industrialization should be socialism.

When New China was founded in 1949, the output value of state-owned industry accounted for only 34.7

percent of national industrial output value. Under such circumstances, in order to impart a socialist nature to China's industrialization, the first thing to do was to prioritize the development of industry under ownership by the whole people and to increase its proportion in industry as a whole by taking advantage of state power. In 1950, Chen Yun said: "Nowadays, some capitalists think that, while the government is engaged in heavy industry, they can get involved in light industry; while the government is engaged in the raw materials industry, they can get involved in manufacturing industry, so the government can have all the burdens and they can make all the money; of course we cannot do it this way." "Five economies coexist at the same time, but they must be put under the leadership of the state economy. In order for the private economy to follow the state economy, there is one condition, i.e., the state economy must have considerable strength. If you are strong, they follow you; if you are not strong, they will not listen." For this reason, the First Five-Year Plan channelled construction capital mainly into the state economy. In 1957, the fixed assets of state-owned industry were worth 27.2 billion yuan, three times higher than when the People's Republic was newly founded. Its output value accounted for 53.8 percent of the total national industrial output value.

Another aspect of ensuring the socialist orientation of industrialization was the process of socialist transformation of capitalist industry and commerce. Again, Chen Yun was put in charge of this job in sharing responsibilities among leaders of the party center. In the initial period after New China was founded, the method of buying private industry's products by the state was adopted. Later, it gradually led to placing orders for processing, monopoly of purchasing and marketing, and eventually, state-private joint management. Chen Yun maintained that this "did not spring from anybody's mind; it was a result of economic development." This was because when industry-wide production plans had to be made for private industries, private ownership would pose an obstacle. If this problem had been left unresolved, it would have been impossible to carry out the merger, reorganization, and elimination of enterprises. Besides, even for private enterprises where production was well arranged, if the method of placing state orders continued to be used for too long, capitalists would be reluctant to lower costs and economize on raw materials because profits were calculated according to costs. However, as far as the mode of state-private joint management was concerned, Chen Yun not only endorsed the buying-out policy toward capitalists, but also advocated popularizing the fixed-interest method. According to an estimate, at that time, of all the private capital nationwide, private industry was worth 2.5 billion yuan, while private

commerce was worth 800 million yuan. Given a fixed interest rate of 5 percent, the annual payout was only 160 million yuan. He said: "This bit of money would take care of all the capitalists in China." "The shift of private ownership of enterprises toward socialist ownership was experienced elsewhere in the world a long time ago, but using such a peaceful method whereby the industrialists and businessmen nationwide have accepted this change with such delight is unprecedented."

However, some errors did occur in the high tide of the transformation of private-owned industry into state-private joint management. For example, things were too rushed in many localities. Either those that should not have been merged were merged, or those that could have been merged became too big after the merger. Some enterprises suffered from lower product quality, smaller product variety, and slapdash management compared to before the joint management. In some cases, the previous owners were not properly treated after joint management was introduced. Chen Yun clearly put forward suggestions for addressing these problems from the very beginning, and instructed relevant departments to take remedial measures. Naturally, however, though the problems were addressed, such shortcomings as proceeding too hastily and too fast did exist in this great reform of ownership, but no drawback could take away from this basic fact: The industry-wide state-private joint management mobilized the enthusiasm of the broad ranks of private enterprise workers in production, enhanced labor productivity, and served to emancipate the productive forces and promote socialist industrialization.

Issues Concerning the Planned System, Funding, and Human Resources for China's Industrialization

Upon the liberation of the whole country, Chen Yun, as the person in charge of the Central Financial and Economic Commission, participated in the establishment of New China's planned economic system. Though the introduction of this system had much to do with learning from the Soviet Union at that time, nevertheless, given the unique historical conditions of the infant New China, this system was designed mainly to adapt to our country's reality, which was: On the one hand, we wanted to achieve industrialization quickly, while on the other, the country's economic foundation was very poor, with shortages of funds and of skilled human resources in particular. Jiang Zemin pointed out in the 14th National Party Congress report: "The previous economic system had its reasons, and once played an important, positive role." Facts have indicated that this judgment is perfectly correct.

First, regarding the issue of funding for industrialization:

Industrialization required a large input of money, and prioritizing the development of heavy industry required even more, but New China was faced with a mess — a state of poverty and blankness. Money was the very thing it lacked. Could we borrow money from foreign countries? At that time, the imperialists were hostile to New China, and they imposed a blockade and embargo. They would not have loaned us money. The former Soviet Union was willing to offer loans, and did indeed provide us with a total of 1.7 rubles' worth of loans at preferential terms, but this borrowing merely accounted for slightly over 3 percent of the investment in industrial capital construction. Then again, the Soviet Union, too, was facing postwar rehabilitation and was not in a position to lend us more. Under such circumstances, the only way out was to rely on our internal accumulation.

As New China had gotten rid of imperialism, feudalism, and bureaucratic capitalism within the country, and had adopted a policy of utilization, restriction, and transformation toward national capitalism, there did exist some sources of money for internal accumulation. However, the availability of funding resources did not equate with the solution of the funding problems of industrialization, because under the First Five-Year Plan, the investment in capital construction was 42.74 billion yuan, equivalent to \$17 billion, far exceeding the investments of the Soviet Union and India in their respective first five-year plans. If, with the slightest lapse, the revenue collected could not measure up to that amount or was wasted, there would be no guarantee for the investment plan. Furthermore, China had been under the ravages of war for a long time and the War To Resist U.S. Aggression and Aid Korea was going on at that time. The people's government not only had to recover the economy, but also had to conduct fresh construction. While having to raise the people's living standards, it could not cut down defense expenditures; money was needed in too many places. Under those circumstances, only by letting the center control and dispose of the revenue, and by letting the state distribute funds in a planned and rational way could we avoid the diffusion and waste of funds, and could we materialize the availability of funding resources for industrialization.

As for the relationship between the center's overall control of revenue and the effort to save money and guarantee the fund supply for key projects, Chen Yun made many expositions on it. In the early period of New China, he said: "At the moment, our country not only lacks a comfortable surplus in the revenue balance sheet, but actually has a deficit. The amount of cash and materials kept in reserve is quite small. If this small

reserve were not put in the hands of the central people's government, but instead went to local governments at all levels nationwide, it inevitably would vanish into thin air, and the result would be that there would not be any overall flexibility and nobody would have any leeway either." At that time, the central financial and economic commission strictly defined the terms of reference of authorization for capital construction projects. One of the rules was that the application for setting up a new factory worth in excess of 500,000 yuan in any locality must be submitted to the party center. Chen Yun said: These regulations are necessary not only for maximum rationality in the order of cash movements in the country, but more importantly, to cut down on waste in the process of construction.

In order to guarantee the supply of funds for industrialization, Chen Yun also paid special attention to maintaining the stability of market prices. In 1952, the grain output in our country reached a record high, but because of the increase in the urban population, the population feeding on commodity grain in rural areas, and the consumption of grain by farmers themselves, the conflict of supply and demand became aggravated. At that time, as far as the grain needed by the state was concerned, only the supply of public grain (a form of agricultural tax) was guaranteed, and the rest had to be bought on the grain market. As the grain supply fell short of demand, the grain dealers bought up grain to corner the market while the farmers refused to sell, waiting for better prices. Could we let grain prices continue to go up?

Chen Yun said: "If grain prices go up, all commodity prices will follow suit. When commodity prices rise, wages also rise. When wages rise, the budget will be exceeded." As a result, there will be no guarantee for the investment in industry. Could we import grain? Chen Yun said: If we spend our foreign exchange importing grain, "we will have no money to buy machinery and equipment; construction will be impossible and we can forget about industry." After repeated studies, he recommended to the party center the policy of monopolizing the buying and marketing of agricultural and sideline products, including grain. The party center adopted his recommendation. What happened afterward proved that under the historical conditions of that time, this policy not only played a crucial role in stabilizing the market and preventing increased budget and foreign exchange spending caused by grain price increases or importation of grain, it also greatly boosted our capability for exporting agricultural and sideline products and importing industrial equipment.

The policy of monopolizing the purchase and marketing was entirely different from the former Soviet Union's surplus grain acquisition system instituted in the early

days of its industrialization process whereby the farmers' grain was seized almost without compensation. Chen Yun said: "The official prices for planned purchasing and supply determined by the state take full account of the interests of farmers and consumers, and are perfectly fair" and "more than one-third of the grain sold by the state goes to the farmers in want of grain." Naturally, however, there was a scissors difference between the monopolized purchase prices of grain and other agricultural and sideline products, and the the prices of industrial products. In this regard, Chen Yun pointed out: "China is an agricultural country, and we cannot help but consider agricultural factors when making investment in industrialization." "To narrow the price scissors between the prices of industrial products and those of agricultural products is our goal. The communist government must do this; we must not forget it. Our revolution has been for the very purpose of improving the livelihood of the vast majority of the people, but because our industrial products are scarce, we must not expect that this can be done within a short time. I have the responsibility to make this point clear. This is because we still have to accumulate funds and expand reproduction." However, when some people suggested taking more money from farmers by increasing the price parity of industrial and agricultural products to invest in the expansion of capital construction, he persuaded the comrades holding this viewpoint to give it up.

Thanks to the policy of monopolized purchase and marketing, though the national economy grew at a high rate of 11.3 percent per annum during the First Five-Year Plan, the average annual price index increase was only 1.1 percent. This not only contributed greatly to the basic balance of fiscal revenue and expenditure, and to the fulfillment of the industrial capital construction investment program, but also greatly contributed to raising the living standards of the people. During this period, the public consumption level increased by less than 7 percent each year, but because commodity prices were stable, the improvement was very substantial and fair to the vast majority. The public were pleased with it.

As for the monopolized marketing policy, Chen Yun had said already, when it first became effective, that this was only a temporary measure. "When industrial and agricultural production have grown and when the production of consumer goods has grown to the extent of fully satisfying market demand, the method of distribution by quota should be abandoned." Though Chen Yun suggested implementing the monopolized marketing policy as a long-term strategy, in light of our national conditions at that time, he believed that it

should be adjusted according to the changing objective circumstances and should not be perpetuated.

Second, regarding the issue of human resources for industrialization:

According to the China Education Yearbook, for 20 years between 1928 and 1947, old China produced a total of only 185,000 college graduates. Between 1927 and 1947, only 30,000 graduated from engineering colleges, with only 200-plus geologists. However, during the First Five-Year Plan, the industrial and communications departments alone required an additional 400,000 technicians. To solve this contradiction, the First Five-Year Plan listed establishing and expanding institutions of higher learning and secondary technical schools as an important task, proposing turning out 283,000 graduates from institutions of higher learning within five years. Should we have waited until these people had finished their training and then proceeded with the industrialization? Chen Yun pointed out that this would not work, because "now that the whole country has been liberated and the people's democratic regime has been established, if we did not carry out large-scale economic construction, the success of the Chinese revolution would not have any protection." Could we let skilled human resources circulate freely, or let various departments keep them for themselves? Chen Yun also believed this would not work. He pointed out: It is imperative to "make focused use of the limited amount of technical personnel all over the country" and "to exercise centralized management over them on a nationwide scale, and to distribute them rationally according to the needs of the state," "because only by doing so can we concert our action and give play to our strength." Facts proved that this method, plus other measures — including selecting cadres, workers, and soldiers to attend all kinds of training courses, and inviting foreign experts — helped solve the difficulty of not having enough skilled human resources at the beginning of the industrialization process.

Chen Yun believed that we should actively educate, fully trust, and boldly use the intellectuals who received their education in old China. He pointed out: "These people are our 'national treasures' and a force indispensable in achieving our industrialization." It was on the basis of this belief that after the "Great Cultural Revolution" ended, seeing that middle-aged intellectuals were bogged down by heavy burdens of livelihood and work, lived on low salaries, and that many suffered from declining health conditions, he suggested that the center earmark some money to "rescue" them. He pointed out: "We should consider improving their living conditions a 'project' of our capital construction and one of basic capital construction. Intellectuals in the production,

scientific research, education, and management departments are the most precious assets for any industrialized nation." Today, we have an abundant supply of skilled human resources who can take part in construction, and the necessity of centralized training and management solely by the state is diminishing, but Chen Yun's approach of linking the issue of skilled human resources with that of industrialization still can throw some light on our efforts to solve such new problems as insufficient education funds and the brain drain.

Chen Yun repeatedly admonished comrades engaged in economic work that to develop the economy means we should do things according to the objective law of economics. He said: "We are politicians and strategists, but we are not entrepreneurs yet. When a layman tries to do something professional, he is bound to come across additional problems. Occasionally wasting a little bit of money may be forgiven by the people, but if we keep on wasting and every year is the same, the people will stop forgiving us." "We must learn accounting and do some calculations. We must try to economize a bit. We must work out the costs: how much labor goes into a finished product, what kind of price it will get on the market, and things like that. We must calculate them properly."

As for the problems brought on by the planned economic system — such as overcentralization, excessively tight control, lack of competition, and lack of vitality — Chen Yun discovered them quite early. Before the First Five-Year Plan was finished, he put forward a proposal for reforming the highly centralized planned economic system. After the Third Plenary Session of the 11th CPC Central Committee, he went on to suggest that there must be two kinds of economy in the complete course of socialism, i.e., the planned-economy part and the market-regulation part. This idea provided an important theoretical basis for the economic structural reform. Later, he endorsed [zan cheng 6363 2052] the formulation that the planned economy does not equate with the dominance of mandatory plans, and that guiding plans are executed mainly through the working of economic levers. He believed that this summary "completely tallies with our country's current reality." He said: "If we were to copy now what we did in the 1950's, it would not work. Even at that time, our economic work was conducted in light of China's reality; we did not copy the Soviet Union's practice without alteration." These discussions played a positive role in helping people to further emancipate their minds and in deepening the economic structural reform.

The Issue of the Scale and Speed of China's Industrialization

The national economy should maintain overall balance and proportionate development. This is an important idea that Chen Yun put forward during the First Five-Year Plan. This idea was a result of his long-time explorations into, and deep thinking about the scale and speed of China's industrialization drive. Chen Yun believed that scale and speed are not determined by wishful thinking, but depend on whether all aspects of the national economy are in overall balance and all sectors are in proportion to each other; in other words, whether the national economy's total demand and supply are balanced and its structure is in equilibrium. During the First Five-Year Plan, the reason that the issue of the scale and speed of industrialization was tackled quite well had a direct relevance to this guiding principle.

First, regarding the scale of industrialization:

This problem was felt when the formulation of the First Five-Year Plan had just begun. Though the plan listed nearly 10,000 projects and the capital construction investment accounted for 55.8 percent of the total expenditure on economic, cultural, and educational undertakings, the appeal from various quarters for more projects and greater investment still ran high. In view of this demand, Chen Yun pointed out: "Whether or not the scale of construction can be expanded not only depends on the needs, but also must depend on feasibility. This means we must find out if the state has enough financial resources and technical support, and whether or not it can supply the equipment needed."

The implementation of the First Five-Year Plan also met with some setbacks. The main setback was that after a bumper harvest in 1955, a tendency of premature advance cropped up, demanding the completion of socialist industrialization ahead of schedule. Affected by this, the capital construction investment in 1956 increased by 62 percent over 1955, greatly exceeding the growth rates of that year's budgetary revenue and the supply of such resources as rolled steel, cement, and timber. As a result, a financial deficit was registered, there was a shortfall in the supply of production means, and the social purchasing power did not match the availability of commodities. As Chen Yun and Zhou Enlai made timely adjustments, this tendency was checked.

At a meeting of the party secretaries of all provinces, autonomous regions, and municipalities on 18 January 1957, after summing up positive and negative experiences, Chen Yun put forward the concept of matching the scale of construction to the national strength, and the methods of preventing the scale of construction from ex-

ceeding the tolerance of national strength. This speech and some of his later speeches and articles indicate that the constraining methods are mainly as follows: First, to look at the fiscal revenue and expenditure, bank credit, supply of materials, and foreign exchange receipts and expenditure to see if they are balanced; second, to see if agriculture can tolerate it; and third, to see if the improvement of the people's livelihood can be guaranteed. He said: "In carrying out construction, we must take agriculture into consideration. When we talk about proportion, we refer mainly to this proportion." He also pointed out: The issue of agriculture and markets is a big matter concerning the people's life; it is an issue of public livelihood. "Solving this issue should become an important national policy. For the sake of agriculture and the market, 'sacrificing' other things a little bit is very necessary." "The scale of capital construction should depend on how much spare energy we have. It is so this year, and it should remain so in the future, so that the people's livelihood can improve steadily year after year."

Chen Yun stood for conducting capital construction on the basis of safeguarding the steady improvement of the people's living standards. However, this in no way meant improving livelihood at the expense of capital construction. As early as in 1955, he said: "Our country has a vast population. The previous level of productive forces has been very low. Only through the diligent work and frugal living of our 600 million people and several five-year plans, which may greatly enhance our productive forces, can we possibly improve the living standards of the Chinese people significantly." Later, he vividly summed up the principle of handling correctly the relationship between the people's livelihood and capital construction as "1) eating, 2) construction." In 1979, when discussing whether or not the goal of four modernizations could be realized, he also said: We must not put the modernization of people's daily life and the four modernizations together. "The living standards of the people must be raised, and will be raised by more than a small margin, but we cannot compare ourselves to the United States, Britain, France, Germany, or Japan. We have 900 million people. To make that kind of comparison is just unfeasible. Modernization should be represented by the most advanced industry and that, undoubtedly, can be achieved."

Second, regarding the speed of the industrialization process:

As for the issue of speed, Chen Yun time and again emphasized when formulating the First Five-Year Plan that we must follow the law of developing in a proportionate and balanced way. In other words, when setting

the pace for the development of industry, we must not consider industry itself only, but also should consider the ratio of industry to agriculture; of industry to communications; of industry to science and technology and education; within industry, the ratio of heavy industry to light industry; within heavy industry, the ratio of metallurgy, coal-mining, electric power generation, chemical industry, and so on, to each other. He also pointed out: "It is hard to say what ratios are optimum. The only solution is to find out if balance is maintained. If the right proportion is achieved, balance is achieved; if balance is achieved, the ratios will be largely correct. As our country is economically backward and needs to catch up within a short time, the balance specified in the plan is a kind of stressed balance. There should be something of a leader in the plan. In the short-term future, the leader is industry, especially heavy industry. When industry is developing, other sectors must catch up. Therefore, inevitably, there will be a lot of effort required and a lot of stress. There is no such thing as a carefree balance. If everything moves ahead together, it is not going to be very fast. However, the stress should never be allowed to reach the extent of disrupting balance."

However, because of the rash advance in 1956, the balance did break down. Although the disrupted balance was restored after some adjustment in 1957, the campaign against "opposition to rash advance" was launched in 1958, evolving into a "Great Leap Forward," setting even higher speed and higher targets, which aggravated the disproportion in the national economy. As a result, the total output value during the Second Five-Year Plan showed negative growth. It was in reference to these lessons that Chen Yun profoundly pointed out: "Proportionate development means the fastest speed."

How to achieve proportionate development? When participating in the formulation of the Second Five-Year Plan, Chen Yun once pointed out: To achieve proportionate development, we must conscientiously study the ratios and correlations of various elements in the national economy, and such studies "must never rely on books only for indiscriminate copying. Instead, we must find our way by looking at our country's economic status quo and our past experience." On the basis of this idea, he put forward some suggestions on correctly handling some important relationships in the national economy, such as the relationship between heavy industry and light industry and agriculture. Though his suggestions were ignored for a long time because of the campaign against "opposition to rash advance," the "Great Leap Forward," and the "Great Cultural Revolution" that followed soon afterward, they did, however, get recognized after our party had redressed the "left" mistakes. In the summer of 1979, when he was talking to the com-

rades in charge of Shanghai Municipality at that time, he said: The proportions are in objective existence. The question is whether or not we try to study and understand them conscientiously. We must admit we are not capable enough on this issue, and should go into it constantly.

There were two more reasons why Chen Yun was against setting high targets and pursuing high speed solely on the basis of wishful thinking. One was to avoid passivity and waste of energy; the other was to prevent neglect of quality and cost-effectiveness. As early as in the years of public-private joint management, he repeatedly reminded industrial departments not to pursue quantity at the expense of quality, and that they should give support and protection to brand names. In 1962, regarding the fact that the iron and steel industry was too outstanding, he once again pointed out: "According to historical experience, starting now, we should strive to make the variety of industrial products more complete, their quality better, and their technology more advanced within a given time, so as to meet demand. If we have such a foundation, we will be able to make faster progress." He said: The targets of planning must be reliable and leave some leeway. As long as the overall balance is maintained, it does not matter if the targets are a bit low because they are much better than impractically high targets. This way, we can keep the initiative in our hands and avoid passivity. With reference to the high targets that emerged during a period after the Gang of Four had been smashed, he once again pointed out: "At present, the people are looking forward to the four modernizations and expect relatively fast economic development. Yet, they do not want any waste of energy over pointless things [zhe teng 2124 7506]. They want a rather rapid pace of development under the precondition of not wasting energy on pointless things. It is the development speed under this precondition that we should look at." Failure to make progress in a proportionate and stable way will "cause all kinds of stress and loss of control. Relapses will be inevitable, and consequently it will slow the process down. "More haste, less speed."

Under the guidance of the principle of overall balance and proportionate development, the scale of construction during the First Five-Year Plan was quite large, but also quite appropriate; the speed of growth was fast, but rather steady. The whole plan was accomplished one year ahead of schedule, and showed good cost-effectiveness. Now, the size of our economy and the international environment are very different from the period of the First Five-Year Plan, but this idea, reflecting the inherent requirement of socialist construction, is not out of date. As pointed out in the 14th na-

tional party congress report, while seizing the opportunity to speed up the development, we should "adhere to proceeding from reality, make sure that we do things within our means, and do a good job of overall balance. We must not rush into it headlong whenever the acceleration of development is required, or go back along the old track of neglecting cost-effectiveness, pursuing output value at the expense of other things, competing with each other in blindly launching new projects, and concentrating solely on expanding the scale of capital construction. [quotation marks as published]

When evaluating the achievements in the first years of New China, the "Resolution on a Number of Historical Issues of the Party Since the Founding of the People's Republic" pointed out: Great achievements were scored in construction during that period; "a batch of basic industries, which were required by national industrialization and which had been very weak, were established"; "the economic development was rather fast; the economic efficiency was rather good; the proportions of important economic sectors were rather balanced; the market was prosperous; commodity prices were stable; and the people's livelihood significantly improved." When commenting on the drafting of this resolution, Deng Xiaoping also pointed out: "The achievements in the first seven years after the founding of New China are acknowledged by all." These comments are objective and impartial, and can stand the test of history.

In 1956, Chen Yun said: "We must have the will, and must work together to accomplish the first five-year plan, the second five-year plan, and even the fifth five-year plan, and the 10th five-year plan, and must build our country into a powerful socialist country by the end of this century." Now, although the task of our industrialization has not been completed, the annual outputs of steel, coal, cement, chemical fertilizers, generated power, machine tools, and other major industrial products have leaped to the first place, or rank among the best in the world. Great progress also has been observed in some modern industries, such as atomic energy, aerospace, and electronics. A basically independent, complete, and well-rounded industrial system has been established. We should continue to draw on all the positive experience from abroad, but more importantly, we should draw on our own successful experience in the past, including the experience during the startup period of our industrialization. We should not have an inferiority complex. As long as we are good at absorbing and assimilating our own experience and that of others within the context of current reality, we are bound to be able eventually to fulfil the goal of the socialist four modernizations.

Article Reviews Biography of Late Chen Pixian

OW2908161095 Beijing XINHUA in English
1551 GMT 29 Aug 95

[FBIS Transcribed Text] Beijing, August 29 (XINHUA) — Chen Pixian, a former vice-chairman of the Standing Committee of the Sixth National People's Congress (NPC), who died of illness in Beijing on August 23 at the age of 80, was described as an outstanding member of the Communist Party of China (CPC), a battle-tested communist soldier, and a proletarian revolutionary.

Chen was born to a farmer's family in Shanghang County in east China's Fujian Province in March of 1916. He joined the Communist Youth League of China (CYLC) in 1929 and became a CPC member in 1931.

From 1929 on, he served as secretary of the Children's Affairs Bureau of the CYLC Fujian provincial committee and secretary of the Children's Affairs Bureau CYLC Central Committee, as secretary of the CYLC Central County Committee of Fujian-Jiangxi region, and as a member of the CYLC Central Committee's sub-bureau in the Central Soviet Area.

Soon after the War Against Japanese Aggression broke out in 1937, Chen was transferred to work at the Southeast China Bureau of the CPC Central Committee, serving as secretary of the Youth Committee and head of the Youth Department, mobilizing and organizing the masses of revolutionary youth to join the New Fourth Army.

He later established bases for fighting the Japanese invaders in central Jiangsu Province, and served as secretary of the CPC Central Jiangsu Regional Committee and political commissar of the Central Jiangsu Military Command of the New Fourth Army, contributing to the victory in China's war against Japanese aggression.

During the People's Liberation War, Chen served as political commissar of the Seventh Column, Central China Field Army, as secretary of the CPC Central China Working Committee, and as political commissar of the North Jiangsu Military Command.

Chen also led soldiers and civilians in central China in support of the Huaihai Campaign (November 1948 to January 1949), one of the three decisive campaigns in the Chinese People's War of Liberation, and made great contributions to victory of that war.

In April 1949, Chen crossed the Chang Jiang River with the army and went to southern areas of the Yangtze, serving as secretary of the CPC South Jiangsu Regional Committee, political commissar of the South Jiangsu Military Command, and member of the East China Military and Administrative Committee.

To help establish the people's political power in the newly liberated areas, Chen did a great deal of work in implementing land reforms, putting down bandits and local tyrants, helping heal the wounds of war, and in restoring the economy.

Chen was transferred to Shanghai in February of 1952, and served as the 4th secretary of the CPC Shanghai Municipal Committee, political commissar of the Shanghai Garrison Headquarters, and first secretary of the CPC Shanghai Municipal Committee. In doing so, he contributed a lot to the reconstruction of Shanghai.

During the "Great Cultural Revolution" (1966-76), Chen was treated cruelly and was purged and jailed for ten years, but he would not give in in the face of false accusations by Lin Biao and the Gang of Four and waged a struggle with them, trying his best all the while to protect other cadres who had been purged.

When he was restored to a post of leadership in 1977, Chen became secretary of the CPC Yunnan Provincial Committee and then first secretary of the CPC Hubei Provincial Committee and political commissar of the Wuhan Military Area Command.

From 1982 on, he served as a member of the Secretariat of the CPC 12th Central Committee, the secretary of the Committee for Political and Legal affairs of the CPC Central Committee, and the vice-chairman of the Standing Committee of the 6th NPC. He also served as an alternate member of the CPC 8th Central Committee, and a member of the CPC 11th and 12th central committees.

After he retired and left the post of leadership, Chen attended to major events of the party and the state even when he was suffering from serious illness, and continued to support the basic lines of the party and Deng Xiaoping's theory of building socialism with Chinese characteristics, and the CPC Central Committee with Comrade Jiang Zemin as the core of leadership.

Comrade Chen Pixian led a glorious revolutionary life, and during his lifetime served the people heart and soul.

Party School Works on Cultivating Party Spirit
HK3008084995 Beijing RENMIN RIBAO in Chinese
11 Jul 95 p 4

[Report by reporter Li Chunlei (2621 2504 7191): "Central Party School Gives Prominence to Its Special Characteristics in School Operation by Attaching Importance to Cultivating Party Spirit Among Middle-Aged and Young Students"]

[FBIS Translated Text] Strengthening students' party spirit, especially persisting in making education in

party spirit among middle-aged and young students a compulsory subject, is a major job of the Central Party School in cultivating cadres, as well as a special feature and tradition of education conducted by the school. In recent years, the Central Party School, in light of the special situation of middle-aged and young students, has kept exploring how to make education in party spirit more concrete, frequent, and systematized, so that after training, students will not only raise their theoretical quality but at the same time also visibly strengthen their party spirit.

According to the demands of the CPC Central Committee that "education in party schools must be closely linked with students' thinking so that their studies and mastery of theories are combined with the reformation of their world outlook and training for strengthening their party spirit," the Central Party School, after years of practice, has basically developed its unique model of education in party spirit.

The first link in the education in party spirit is that from their educational orientation, students are made to understand the necessity and urgency of training in party spirit and the content, methods, and ways of training in party spirit during their studies in the school, so as to help students obtain a correct understanding as soon as possible.

The second link is to do well in analyzing party spirit, correctly appraising and revealing one's situation in terms of party spirit, and clarifying the focus of the training in party spirit. After a certain period of studies, students are organized to carry out party spirit analysis for a certain period. On the basis of individual review and recollection, having heart-to-heart talks, writing analytic materials, holding democratic meetings, carrying out criticism and self-criticism, and analyzing common issues, the purpose of strengthening party spirit is achieved.

The third link is to summarize one's feelings, clarifying the direction of further efforts by recalling theoretical studies and training in party spirit. Before the end of their studies, students write their own summaries and appraisals, exchange ideas, and study from each other so as to mutually improve themselves at meetings of party groups, laying a good foundation for continuing the training in party spirit in the future.

In addition, the school has developed multiple forms of educational activities focusing on strengthening the party spirit. These activities mainly include regularly taking part in democratic meetings, exchanging ideas, inviting veteran and model party members to lecture and report on party affairs, and taking educational trips for training in the revolutionary tradition.

Party spirit education is combined with theoretical studies so that students will have a deeper understanding of the need to uphold the party's basic line, ideological line, and mass line and thus raise their consciousness. At present, the great majority of nearly 3,000 middle-aged and young students who have returned to their original positions from the school are making their contributions at such posts as city leaders and leaders at the bureau and department level. Among them more than 240 have assumed provincial or ministerial positions.

Committee Plays Leading Role at University

*HK3008085195 Beijing RENMIN RIBAO in Chinese
11 Jul 95 p 5*

[Report by reporter Bi Quanzhong (3968 0356 1813): "Beijing University Party Committee Brings Into Full Play Its Role as the Leading Core by Advancing Reform, Promoting Development, and Ensuring Stability"]

[FBIS Translated Text] Beijing University, which has long been known for political sensitivity and ideological vigor, has extricated itself from the pitiful plight caused by ideological trends and student unrest which surged forward one after another several years ago. It has now embarked on a course of sustained and steady development. The university is now enjoying greater vigor, the atmosphere of study is sound, and academic activities are flourishing; both the teaching staff and students are more confident in the university's future. Beijing University is now building its image of stability and unity, reform and progress, talented people coming to the fore, and abundant fruit of research and teaching. One key reason for this excellent situation is that the party committee of the university has brought into full play its role as the leading core.

The party committee of Beijing University is highly sensitive and responsible in ensuring stability and unity on campus. It has mobilized all grass-roots party branches and party members to do down-to-earth work to tackle major ideological problems among the faculty and students, motivated various departments in the university to do whatever is possible to solve practical problems about which the faculty and students are concerned, and held discussions on and promoted the reform and development of the university. It is convinced that only by holding high and firmly the banner of construction, reform, and development can it be possible to win support from the people and guarantee stability.

The reform and development of Beijing University is an important issue that has always received great attention from the party committee. In view of the current trend of scientific and technological, economic, and social development throughout the world, it has raised to

all the teaching staff and students in the university the goal of building Beijing University into a first-class university in the world early next century. To this end, it has given leadership to the drafting of strategies and plans and also done organizational work for its implementation. The past few years have been a period in which Beijing University has seen the most rapid development. During this period, applied subjects, interdisciplinary subjects, and new branches of learning have been added one after another; the university has established the College of Marxism, College of Industrial and Commercial Management, College of Life Sciences, College of Chemistry and Molecular Engineering, and College of Overseas Education. Now, efforts are now being made to establish a college of intellectual property rights. Over the past few years, the university has opened 12 new undergraduate specialties, 15 new graduate specialties, 22 doctoral specialties and 47 post-doctoral specialties; in total it has started 1,300 new courses. The number of key branches of learning designated by the state has increased to 42. The university now has 745 professors, 30 of whom serve as academicians in the Chinese Academy of Sciences (Wang Xuan serves as both academician in the Chinese Academy of Sciences and Chinese Academy of Engineering), and some 900 associate professors. In addition, the university has invited 80 people with doctoral degrees from abroad to teach in the university; and 87 middle-aged and young teachers have become backbone members in academic studies of various fields. Advances made in teaching and research have both boosted the university's strength and played an important role in guaranteeing stability.

The party committee of Beijing University is clearly aware that an ossified, conservative, and good-for-nothing leading body can in no way play a role as the leading core, particularly in Beijing University. Therefore, it has paid great attention to its own building and improvement and provided correct guidance to people in "updating its ideas." In fact, over the past few years all the bold steps of reform as well as the ambitious goal of development for the university were first raised by the party committee. This is also true of the matter of using people. In 1991, 31-year-old Professor Chen Zhangliang was made president of the university's College of Life Sciences, and not long ago 37-year-old Professor Zhao Xinseng was made president of the College of Chemistry and Molecular Engineering, the newest college in the university. Both of them were first recommended by the party committee. Recently, the party committee again recommended Chen Zhangliang and 44-year-old Min Weifang to serve as vice presidents of Beijing University. As for the party committee itself, it is a young leading body; 56 percent

of its members can work on into the next century, and the average age of its secretary and three deputy secretaries is 49 years.

With its own deeds, the party committee of Beijing University has established for itself an image of reform, opening up, and being competent. Ren Yanshen, secretary of the party committee, said: The tasks of reform and development for Beijing University are arduous and there are still many difficulties and problems; in no way can we slacken our efforts, even in the least amount.

Science & Technology

Soft Science With Chinese Characteristics

HK3008090095 Beijing JINGJI RIBAO Chinese 16
Jun 95 p 2

[Article by Yuan Mu (5913 2606): "Building Soft Science System With Chinese Characteristics — Speech Delivered at National Soft Science Work Conference in February 1995"]

[FBIS Translated Text] As one of the joint sponsors for the National Soft Science Work Conference, we, the Research Office under the State Council, sincerely hope that the conference will be successful, and as indicated in the speeches delivered by Comrade Hui Yongzheng and others, helpful to a further growth of the research undertakings for Chinese soft science, a boost for greater progress in our scientific and technological consulting services. We also feel deeply the importance of the matter from our practical experience.

The Research Office is a working organ directly under the State Council. Besides drafting important documents for central government and the State Council, and fulfilling the tasks designated by the State Council's leaders, our daily work includes investigating and researching for the State Council's policymaking, analyzing and judging; submitting proposals for policymaking; and functioning as consultant and adviser. As the State Council's leaders consider trying to solve some actual problems in the state's economy and social development, in its reform and opening to the outside world and modernization, or, in short, in any policymaking, they often set us some weighty tasks, for which our Research Office will be asked to carry out investigations and deep research, and present background and essential materials and suggestions for their reference. When we arrange our annual office working plan, we also set some of our tasks within our power to investigate and research according to new problems and current situations. It is our expectation and efforts to try our best to improve our investigation and research to better serve our leaders' policymaking, but our actual doing still is not enough to meet their requirements.

As the Research Office is rather simple in structure, understaffed, and limited in capability, it is quite far from enough if we depend only on our own power to fulfill the tasks designated by our leaders or the ones we have selected. Therefore we do our jobs out of the office, or with people we invite into the office, seeking strengthened cooperation with other related research institutions such as, for example, the Central Policy Research Office, research units under the party Central Committee, and all the State Council's ministries and commissions — especially those under overall economic sectors — as well as the State Science and Technology Commission, the State Council Research Center for Economy and Social Development, the Chinese Academy of Social Sciences and its research institutions. We often ask all these for their instruction and help. As disinterested help, they often provide us with their research documents and results as well, without which we can hardly function. In other words, from this case we feel deeply the crying need for a stronger inner stimulus for the growth of soft science and consulting services.

The Research Office under the State Council was established in 1988. Since then, from our work and professional practice, we have learned the utmost importance of our party and state's steadily sharpening our ability to make policies in a democratic, scientific, and systematic way. Constantly raising the scientific level of policymaking, ensuring its correctness, and giving full play to its positive, rather than negative effects will play an extremely important role in all aspects of China's political, economic, cultural, and social development, or to put it briefly, in the building of China's material and spiritual civilization and democratic politics. We now face a golden opportunity, and the situation at home and abroad is to our advantage. Provided the policies made by our party and state are as correct as to fully bring into play the initiative of our leading cadres at all levels, as well as the masses, we will overcome the difficulties before us and realize the goal we expect. If we fail to do so, and if our policies are not well made or are even faulty to certain extent, which will affect our social practice negatively, we may encounter new problems and again suffer setbacks in our undertakings. We cannot avoid faults in parts, but we should avoid big faults and those that will affect the overall situation. We should do our best to avoid blunders that will bring heavy losses to the political and economic life of our party and state and to the actual life of our people. Since our reform and opening up to the outside world, being guided by comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, and the party's basic line, the policymaking of our party and state is on the whole correct, although in some sectors there have been some faults that were hard to avoid. In the future,

especially in the critical period from now to the end of this century, we should further sharpen our ability to make policy in scientific way, and should work hard in every sector and get our consulting services for policy-making onto the right track.

Chinese always pay attention to the "rectification of names" — as the ancients said "if the name is not correct, the words will not ring true." In other words, truthful language depends only on correct names. As "soft science" has been established just during our reforming and opening up to the outside world, it once was named "the whole system of science and knowledge supporting democratic and scientific policymaking," or in short, "soft science is policy-making science." As the name has been accepted by a lot of scientists and specialists for many years, so in this field much remarkable, extensive, and intensive research has been carried out. My opinion is that amid the waves for reforming and opening up at home and abroad, in the process of establishing and developing a socialist market economy — an unprecedented and creative systems engineering project — and during the great undertaking to construct socialism with Chinese characteristics, many, many things need to be boldly explored, practiced, created, and experimented with in a creative way. As our socialist reform and opening up to the outside world, and the modernization itself could be regarded as a great experiment, certainly we should further emancipate our minds and get rid of many outdated theoretical restraints. In this sense, posing a new scientific concept and creating a new theoretical system is not only feasible, but also greatly required. We cannot stand still and refuse to make progress before some unheard-of concepts. Of course, instead of doing things as we please, we should abide by objective law and scientific fundamentals in the course of our practice. It is said that some scientists questioned the name "soft science" itself, saying that if soft science can exist, so can hard science, but how can we divide science into soft and hard? Such questioning is also reasonable, and could be studied and discussed further. Considering that "the whole system of science and knowledge supporting democratic and scientific policymaking" and "soft science is policy-making science" have been accepted by many people, the journal *CHINESE SOFT SCIENCE* has been published, and the Soft Science Research Association has been established and is going to exchange views with similar foreign institutions, we should continue to apply the concept of "soft science" according to the accepted use in common practice, and should pay more attention to its nature and intension in order to make it a stricter scientific system and to provide it with more precise content. In future research, if a more precise name is found, the old one can be replaced. In this way, it would be more help-

ful to the development of our scientific research and policy-making consulting. My knowledge in science is so poor that I am even ignorant about science, and you may think I exaggerate purposely. Now I would like to express my opinion, which is half-formed and based on my brief experiences from my undertakings in investigation and policy-making consultation. In our work, we often pay more attention to operability, and our work is far from being scientific and theoretical. What we do is close to soft science — in several respects our work is identical with it — and you may think I purposely exaggerate again, yet what I am saying is only for your reference and exploration.

I. Clinging to the guidance of Marxist dialectical materialism, historical materialism, and Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, without going in for idealism and metaphysics

Investigation and policy-making consultation, the research and development of soft science should never deviate from the right world outlook and methodology, from Marxist dialectical materialism and historical materialism, or from the theoretical guidance of contemporary Marxism in China — Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics. This is what I would like to stress. Of course, some propositions and expressions of Marxist theory at that time could not anticipate future changes because of the changing times, and even Marx and Engels themselves never asked their followers to regard their theory as dogmatism. Therefore we can freely make breakthroughs and escape their limitations. Marxism itself is a developing theory, and it should continuously enrich and develop itself in accordance with the changing times, but it is a world outlook, a methodology and a scientific system; we can never deviate from it on the whole. Comrade Deng Xiaoping's theory is contemporary Marxism in China. It originated from Marxist dialectical materialism and historical materialism, and it relates itself so closely to the characteristics of the current times and China's actual situation that it is a lively Marxism. We cannot deviate from it, even for a moment. It is the most direct and powerful ideological weapon to find and solve all problems of our state's politics, economy, and social development, including the development of soft science, and to boost our policy-making consulting services.

II. Emancipating the mind and seeking truth from facts, further breaking down the ideological forbidden area, not setting up barriers to restrict ourselves, and insisting on proceeding from reality in everything

To continuously deepen reform and widen our opening up to the outside world, to develop our socialist market economy and form a new economic system that suits our economy is to do something our predecessors never did before, never thought of, and never dared to conceive. It is a great unprecedented creation. Therefore we must continuously emancipate our minds and upgrade our ideas. In the final analysis, investigation and research, policy-making consulting and research, and the development of soft science serve this great creative undertaking. To make policy in a democratic and scientific way is try to ensure correct policymaking. To ensure correct policymaking, we must constantly analyze new situation and research new problems, and these efforts should be guided by new ideas and supported by new systems of scientific knowledge. Analyzing new situations, researching new problems, summing up new experiences, putting forward new thought, and making new proposals all requiring emancipating the mind and updating ideas. In this course, we should never restrict ourselves by setting up ideological barriers around ourselves or by having a prejudice in our selection of research topics or in our advancing of thought. The reform and opening up to the outside world, and the establishment of the socialist market economy system are advancing in the course of breaking through forbidden areas, and the investigation, research, and policy-making consulting still should break through many more forbidden areas in knowledge and theory. That is the way to serve the policy-making consulting well. Of course, all these things should be based on the basic tenets of science and the principle of seeking truth from facts, and should maintain doing everything based on objective reality, instead of indulging in fantasy, imagining things wildly and keeping to subjectivism and volitionism.

III. Fully researching national conditions, being familiar with national conditions, and making efforts to establish a soft science system with Chinese characteristics, as well as policy-making consulting services in conformity to the situation in our country

Our country has set up a basic socialist system, which is still in its premature primary phase. Our country is a large Asian country with a longstanding civilization, as well as a developing socialist country. In our country, we have set the goal for the reform of our socialist market economy system, and though our market economy has been developed to great extent, it is not only immature and weak, but disordered to a certain extent. After the liberation, and especially after the 10 years of reform and opening up to the outside world, our social productivity has been developed very much. On the whole, however, it is underdeveloped, with the co-existence of modernized and manual production, and

our technology and education and human quality is at low level. Our country has a very large population and a poor foundation to start with, and our per capita cultivated area and natural resources are below the world's average level. Such are the national conditions in our country. To construct socialism with Chinese characteristics, as fundamentally requested, we should start with our national conditions and persist in our own way. As our investigation, research, and consulting services for science and technology and our soft science research are component parts of the whole undertaking of constructing socialism with Chinese characteristics, they serve correct policy making for our great undertaking. Therefore we must fully research our national conditions and try to be well familiar with them, and must truly keep to the way of starting from our national conditions instead of from the mode of ideas.

IV. Further making up our minds and taking every method to face up to key and hot issues, instead of dodging contradictions and difficulties

Generally speaking, the key problems that have occurred in our politics, economy, and social development during reform and opening up to the outside world, and the hot issues that commonly concern the broad masses of the people are the problems and issues of concern among the leaders of the party Central Committee and the State Council; they are the focus of social attention. They are also issues to be solved through necessary policymaking. We must make intensive efforts to investigate, analyze, and research them. We must make timely policy-making suggestions. Only in this way can we serve policymaking well. Researching these problems requires a better understanding of current policy; is very difficult to undertake; and involves deep-seated theoretical issues, contradictions, and many difficulties. Instead of avoiding them, we must advance in the face of difficulties and carry out all-round, careful, and sincere investigation, analysis, and judgement, and must put forward our opinions and suggestions boldly. For example, the major issues in our economic sector are as follows: 1) How to rein in inflation and control the rate of increase of commodity prices; 2) How to extricate state enterprises from their predicament through reform; 3) How to basically change the situation in which agricultural development lags behind. These three issues are interrelated, and there is no ready solution that holds good for all time or has immediate efficacy. We should try to achieve remarkable success within a short period. Only in this way can we expect further improvement of the macroeconomic environment, and the sustained, rapid, and healthy development of the national economy. Anyone who devotes his efforts to soft-science research in the economic sector and to the consulting

service for policymaking should keep these issues in mind and should make painstaking efforts to research them in order to achieve a significant success in his research. In short, we should focus our attention on the key problems that retard our progress and development, and on those problems that are urgent and of top priority, instead of on nonessential problems.

V. Going deep into the realities of life and among the masses, applying the method of "dissecting a sparrow" — the method of analyzing typical cases, and combining the research methods always advocated by our party with modern science, knowledge, and research methods

History is made by people. The people are the masters of our country and the power source for all our successes and victories. We cannot develop our soft science, serve policymaking, and ensure correct policymaking through investigation and research, if we do not fully understand the people's mental state, morale, wishes and needs. What are people in real life thinking? What do they oppose? What do they welcome? We cannot find the answers to these questions in our offices or in books. All kinds of new situations and problems come from realistic undertakings. We cannot make correct policies without understanding real practice. Therefore we must go deep among the masses, deep into the realities of life, and apply the method of "dissecting a sparrow" — analyzing typical cases so as to experience and hear the voice of the masses and to observe their working state from various angles and in various respects. From typical case to general case and then from the typical to the general, we should be good at drawing on experience gained at key points to promote work in all areas. We should go to factories, the countryside, and grass-roots units to have face-to-face meetings with local cadres, factory directors and managers, workers, farmers, teachers and students, and should listen to their opinions, thus enabling us to fully understand the objective reality and to fully follow the mass line. At the same time, we should effectively apply modern science and knowledge, such as PERT (the program evaluation and review technique), cybernetics, and systems engineering. We can use such modern means as model measurement and computer simulation. We also can investigate through questionnaires or opinion surveys. We should closely combine these modern methods with effective traditional ways. If we follow these ways, we then can understand and keep abreast of real developments, analyze problems by seeking truth from facts, and put forward feasible suggestions for policymaking. Thus we also can have a firm and good grasp of soft science research and consulting for policymaking with qualitative description and quantitative facts.

VI. Seizing opportunities, trying to achieve success in a short time, and playing a consulting and assisting role

As investigation and research, policymaking consulting, and soft science research serve democratic policymaking by our party and state, as well as scientific policymaking, and as they provide guarantees for correct policymaking, there exists the issue of how to catch and seize opportunities. If we deal with problems in a timely manner and solve them quickly, we can get twice the result with half the effort. If not, we may get half the result with twice the effort, and it will be very difficult for us to solve them, or even cause them to accumulate into new problems and difficulties which are too delayed to be solved. There is another situation that during a certain period of time, when leaders and broad masses are commonly concerned about certain critical and hot issues, if better solutions or suggestions for policymaking are put forward, they will be admitted to the party and state's policymaking system rather quickly, will be well received and adopted, and will bear beneficial fruit for society or even our economy. If we do otherwise, and let the focus of attention of leaders and the masses move away, our research results will be affected as to their function and their attention-attracting degree, no matter how comprehensive, systematic, and profound they are. Of course, it should be understood that we do not recommend being eager for quick success and instant benefit, and least of all doing anything rashly. In any case, when facing critical problems that will affect the whole situation, we must react, research, and analyze in a timely fashion, and must put forward suggestions for policymaking, instead of hesitating to make a decision and putting off our work. We should not miss an opportunity, otherwise we can hardly play a consulting and assisting role in policymaking.

VII. Strengthening the capability for logical thinking, writing with the best of care, having regard for art of writing, and improving our ability to express ourselves

Our reports on investigation and research, and our suggestions for policymaking are for the perusal of our policymakers — policymakers of our party and state in all fields and at all levels — and must be able to attract and inspire them in order to be admitted smoothly and quickly to policy-making systems at all levels, and applied with effective results. For this purpose, we must make pains-taking efforts to wrack our brains and meticulously write articles which, in content, must have clear points of view, outstanding key points and irrefutable proof. In form, our articles must have a well-knit structure, as well as compact and vividly written language. They should be narrate while commenting,

and have a warm discussion of many subjects. They should be well-organized, and have literary grace and a strong readability. We must eliminate the "syllogism" mode, which is often used in some investigation reports: First, current situation; second, existing problems; third, some suggestions. It seems that there is no other mode for expression than this. Of course, I do not mean that the "syllogism" mode cannot be used under any circumstances; it can be used if necessary, but the modes of expression should be many and varied. We should carefully avoid writing formulaic and 1,000-pieces-of-the-same-tune articles.

VIII. Learning, learning, and once more learning so as to continuously upgrade our knowledge—life is limited, but knowledge and learning are not

Countless things and matters in the world are already complicated enough from very beginning, and the current world is changing rapidly and profoundly, social practice is changing rapidly, and knowledge of all kinds is changing very rapidly. To construct our soft science system and develop our policy-making consulting services, we are strictly and urgently required to upgrade our knowledge continuously. I often tell the comrades in my office that every one of us should adapt himself to new situations and should continuously improve his working ability only through learning. In the boundless sea of learning, taking pains is the only boat. We should take pains to learn, learn, and once more learn — continuously learning Marxism; Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics; the line, guiding principle, and policies of our party and country; and state laws and regulations; and to learn the theory and knowledge of the current social science and natural science — in order to improve our knowledge level and working ability, and then to suit the needs of the reform and opening up to the outside world, modernization, and serving policymaking by leaders of our party Central Committee and State Council.

To put it briefly, for the development of soft science research and policy-making consulting services, the most important thing is that we must be guided by Marxism and Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, and have our priority research subjects fully based on our national conditions and the issues that relate to vital policymaking. We should combine the systematic research of scientific theory with our party's traditional method for investigation and research — that is to get the opinions of the masses and refer them back to the masses — and at the same time continuously upgrade our knowledge with perseverance. That is what we have

experienced rather deeply from our personal work, and is only for everyone's reference and further discussion.

PLA Scientists Discover New DNA Clone

*OW2808035695 Beijing XINHUA in English
0319 GMT 28 Aug 95*

[FBIS Transcribed Text] Xian, August 28 (XINHUA) — A group of Chinese scientists have discovered a new complementary DNA clone of the C/EBP [enhancer binding protein] gene family that is believed to be related with the growth of liver cells and cancer.

The new DNA clone discovered by scientists at the No.4 Military Medical University of the PLA [People's Liberation Army] has been entered in the Nucleotide Sequence Database of the European Molecular Biology Laboratory.

According to the scientists, this is the first time a human DNA clone discovered by Chinese has entered the database.

Scientists now believe that there are about 100,000 natural genes in the human body. So far, only 5,000 or so have been identified.

To probe further into the mystery of human life, scientists worldwide are currently working on the Human Gene Project that aims to discover all the human genes by the year 2005.

The breakthrough in China was made by Xu Lixin, a 29-year-old scientist at the university, located in this capital of northwest China's Shaanxi Province.

In 1992 Xu confirmed, for the first time in the world, that there exists an "enhancer binding protein" (EBP) that can maintain the reproduction of liver cells and restrain abnormal reproduction.

According to scientists, Xu's new discovery may lead to the production of gene drugs to combat liver cancer.

Military & Public Security

Military To Control Police in Eastern Provinces

*HK3008084695 Hong Kong HONGKONG
STANDARD in English 29 Aug 95 p 5*

[By Wu Zhong]

[FBIS Transcribed Text] China is placing the armed police in several eastern coastal provinces under the sole control of the military authorities. The move represents a strengthening of the military presence in the region amid worsening ties with Taiwan.

In addition, Chinese sources suggest Beijing may have decided to extend the reorganisation across the country.

Currently, the People's Armed Police (PAP) is jointly controlled by the Ministry of Public Security and the Communist Party's Central Military Commission (CMC), which is also responsible for the People's Liberation Army (PLA).

The sources said that the provincial armed police general brigades in coastal provinces such as Guangdong, Fujian and Jiangsu had been upgraded from division commander level to vice-army commander level. Their chiefs have accordingly been promoted from four-star colonels to major generals.

Similarly, they suggested, the nationwide commander of the PAP, Lieutenant-General Ba Zhongyan, may be upgraded to a full general to raise the status of the armed police in the country's military system. This would put Gen Ba on a par with the Minister of Public Security.

Gen Ba, former head of Shanghai's PAP General Brigade, was given his current post two years ago by Communist Party general-secretary Jiang Zemin, who worked in Shanghai as mayor and party chief for many years.

However, they did not reveal whether the changes in the east would be repeated inland.

The recent changes have been regarded by China analysts as a major move to strengthen the military in eastern coastal regions amid worsening ties with Taiwan.

They have also been seen as a means of unifying and centralising the leadership of the armed forces to prevent a potential split during the transition of power.

The armed police, formally organised in April 1983, links PLA troops, under the command of provincial military authorities, with border guards and firefighters, under the command of public security authorities.

Originally, it had three sections: guards, who safeguard senior officials, party and government organs, bridges and railway tracks; border guards; and firefighters.

However, following the Tiananmen Square crackdown in 1989, a force of anti-riot troops was created, equipped with modern anti-riot weapons including armoured carriers, and placed under the PAP's wing. It was the first anti-riot force to be set up on the mainland.

The PAP is considered a part of the military, although it carries out tasks assigned to it by public security authorities. However, at each level of China's bureaucratic hierarchy, the local PAP is regarded as being on an equal footing with the public security authorities, creating problems for the dual leadership.

Moreover, the Communist Party has traditionally believed that all armed forces must be unified and exclusively under the command of its CMC.

Chairman Mao never allowed the army's power to be shared with others. He firmly opposed the idea of forming the so-called Public Security Troops, making its initiator suffer greatly during the Cultural Revolution.

Finance & Banking

Article Warns Against 'Risks' in Futures Market
HK3008084795 Beijing RENMIN RIBAO in Chinese
5 Jul 95 p 2

[By staff reporter Li Jianxing (2621 1696 5281): "Risks in Futures Market Should Not Be Overlooked"]

[FBIS Translated Text] Since the latter half of last year, financial disturbances of great impact have occurred on the international financial market, such as the financial crisis of Mexico, the bankruptcy of the Barings Bank, and the continuing drop in the value of the U.S. dollar against the Japanese yen. Domestically, the 27 March and 19 March unrest in the government bonds futures market also took place. China had to suspend trading in this futures market. These disturbances remind people that the risks of the futures market should not be overlooked in the least.

How To View Risks in the Futures Market

How are risks in the futures market to be viewed? How are risk preventative measures and supervision of the futures market to be strengthened? Recently the Financial Studies Center of the Chinese Academy of Social Sciences held a symposium on risk prevention measures and supervision of the futures market in China. By reviewing the history of development of the international futures market and the particular situation in China, participants in the symposium put forward the view that the major risk factors for the futures market in China are insider manipulation by the main players, the strong wish to manipulate by those taking part in trading, certain departments concerned being unable to persist in the three principles of "just, fair, and open," and those with huge ready capital ready to jump into the market. In addition, impediments to the flow of information, inadequacies in the system, and state-owned enterprises blindly taking part in the trading which leads to the loss of state assets are also risk factors.

Dai Yuanchen, research fellow at the Economic Research Institute of the Chinese Academy of Social Sciences, pointed out that from a long-term point of view, it is necessary to develop securities and futures markets, but risk management of futures market must be strengthened.

At the symposium, all participants spoke of futures trading in government bonds. Xie Ping, deputy director of the Research Office of the People's Bank of China, said that the risks brought by the government bonds futures market to the economic structure of China are risks of the system. Xie Ping said that after the government bonds futures market was introduced in

China, excessive manipulation in the market occurred. Negotiable securities on the second level government bonds market were less than 50 billion yuan, but trading on the futures market was several hundred billion yuan a day, which will invariably lead to risks for the macro-economy. Further, when investors owe securities dealers money and the securities dealers on their part cannot clear them, banks have to make large sums of advance payments, so that banks are the eventual bearers of the risk. Xie Ping also pointed out that it is not appropriate to develop financial futures including such derivatives as foreign exchange futures, government bonds futures, stock shares index futures, and interest rate futures in China at the present stage. The sudden introduction of highly advanced financial derivative financial commodities has brought adverse effects to the balanced development of the securities market. How to control the risks of futures trading under immature conditions in the financial futures market has become a real subject of study.

Finding Ways Out for "Hot Money"

"Hot money" is a phenomenon of international and domestic concern. At the symposium, participants pointed out the great risks brought by the influx of hot money to China's financial market. So-called hot money is a common term for short-term capital, also called disposable capital. Investors in China's securities and futures market refer to it as capital of the "dragon that has crossed the river." To seek relative high and the highest profits, hot money is now put in and now taken out of financial markets in very quick cycles. Some people have described it as moving at lightning speed. According to statistics recently released by the IMF, there is at least some \$7.2 trillion in hot money in the world, which equals 20 percent of international economic output value. The Mexican financial crisis and the bankruptcy of the Barings Bank all were under the influence of hot money. Li Yang, director of the Financial Research Center of the Chinese Academy of Social Sciences, estimates that there is some 200 to 300 billion yuan of hot money moving around in the securities and futures markets in China.

Dai Yuanchen pointed out that the state should find ways out for the hot money. Without other channels, hot money will take part in manipulative trading, which will bring great risks to the securities and futures market. Xie Ping said that the unrest that occurred recently in the futures trading of government bonds indicates that hot money motivated by the government bonds futures market was more than previously expected and poses great risks for the entire banking system.

A written speech delivered at the symposium suggested that a high-quality securities supervision system be established, capital market buildup be accelerated, a unified currency market supported by modern communication technology be founded, interest rates be operated on a market basis, management be strengthened with regard to foreign debts, foreign investment, exchange rates and import and export trade, the introduction of foreign capital into China's securities and futures market be cautiously treated, China's acceptability be carefully considered, and analysis in quantity and quality be carried out.

Since conditions are not ready for China to develop financial futures markets, scholars and specialists attending the symposium unanimously approved the temporary suspension of the government bonds futures markets.

Shanghai Reemerging as 'Financial Hub'

*OW2908050895 Beijing XINHUA in English
0441 GMT 29 Aug 95*

[FBIS Transcribed Text] Shanghai, August 29 (XINHUA) — A establishment of foreign financial institutions in Shanghai has made this largest economic center of China more like a financial hub in the Far East than it was in the 1930s.

Latest statistics show that overseas banks have established 38 branches and 106 representative offices here.

The 36 already operational foreign branch banks had assets valued at 6.688 billion US dollars by the end of July, 81 percent more than a year ago. Their foreign exchange loans and deposits, meanwhile, rose 114 percent and 67 percent year-on-year, respectively, to 4.731 billion US dollars and 1.033 billion US dollars.

Six foreign financial institutions — Citibank, America Insurance Group, Banque IndoSuez, Standard Chartered Bank, Hong Kong Shanghai Banking Corporation and the ABN AMRO Bank, have moved their China Headquarters to Shanghai. And Chia Tai International Finance Co. Ltd. And TM International Bank have set up their head offices in the city.

Sanwa Bank and the Industrial Bank of Japan were the first to set up branches in late 1991. And 30 of the 36 operational branches have become profitable over the years. Their combined profits reached 24.08 million US dollars in the first seven months of this year, up 108 percent over the same 1994 period, according to a spokesman of the Shanghai branch of the People's Bank of China (PBC), the central bank.

The overseas banks have helped introduce into the city a considerable amount of funds, management expertise,

new financial products and instruments, and a more developed market competition mechanism, analysts here agree.

"This will benefit Shanghai's effort to build itself into a global financial center," the spokesman said, adding that PBC Shanghai will continue to enhance supervision over the local financial market.

Foreign Trade & Investment

President on ROK, Telecommunications, Accord

*OW2908133195 Beijing XINHUA in English
1309 GMT 29 Aug 95*

[FBIS Transcribed Text] Beijing, August 29 (XINHUA) — Chinese President Jiang Zemin expressed the hope here today that Chinese business people and those of the Republic of Korea (ROK) will strengthen co-operation in the field of telecommunications on the basis of equality and mutual benefits.

At a meeting with Kim U-chung, president of Daewoo Corporation, Jiang expressed appreciation for Daewoo's efforts in economic and technological co-operation with China, and wished them success in their co-operation with United Telecommunications of China (UNICOM).

Telecommunications has good prospects and great potentials for bilateral co-operation, he pointed out.

Daewoo is one of the top four corporations of ROK, and its co-operation with China has been increasing rapidly.

In 1994, Daewoo's trade volume with China reached nearly one billion yuan and its investment here has increased as well.

On Monday [28 August], a co-operative memorandum was signed between Daewoo and UNICOM on construction of a GSM (Global System of Mobile Telecommunications) network, with Kim serving as economic advisor to Zhao Weichen, UNICOM board chairman. UNICOM is a large-scale state-owned enterprise mainly devoted to telecommunications development.

Kim said during the meeting that Daewoo will continue its co-operation with China mainly in telecommunications, automobile spare parts, iron and steel, and construction of electric railways. It will also increase its investment in China, he noted.

Official: Financing for Gorges Project Available
HK3008013695 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 27 Aug-2 Sep 95 p 8

[By Lu Hongyong: "Various Channels Will Fund Dam"]

[FBIS Transcribed Text] The financial needs in building the Three Gorges Dam project across the Yangtze River can be easily met, an official says.

At least six channels are expected to pump funds before the project can finance itself by 2007, or a year later at the latest.

These are State investment, State Development Bank (SDB) loans, export credit, stock and bond issues and commercial loans, said Yang Qing, an executive official with the China Yangtze Three Gorges Dam Project Development Corp.

Cost of the water control project is an estimated 90.09 billion yuan (\$10.85 billion) in May 1993 constant prices.

Spending on the project will grow as inflation, loans and their interest, and price increases in the construction period to 2009 are factored in.

A national charge of 0.004 yuan on each watt/hour of electricity constitutes a major part of State investment.

The State's contribution also includes profit and tax rebates for the Gezhouba Hydroelectric Power Station, 30 kilometres down river from the Three Gorges Dam.

Of the 7 billion yuan (\$843 million) of funding needed this year, 3 billion yuan (\$361 million) was raised by the State.

An equal amount came from loans by the SDB, which promised to provide 3 billion yuan (\$361 million) each year for 10 years, starting in 1993.

The shortfall of 1 billion yuan (\$120 million) is to be covered with a \$120-million bond issue brokered by the Bank of China.

Yang studied the feasibility of the four ways of raising funds overseas.

Canada, the European Union, the United States, Japan and Brazil will provide China with export credit.

Canada and Brazil have been very active in striving for a share of the project; EU members covet chances to build large-scale generating units as water energy in the member countries has been almost harnessed.

Japan prefers involvement in the Three Gorges Dam because upon completion, it is expected to alleviate pollution blown from China's mainland to Japan, where it falls in the form of acid rain.

There have been controversial views about the Three Gorges Dam project with in the US Government, but executives of the US Export and Import Bank have repeatedly assured that they will give the green light as long as a (purchase) contract is signed.

More caution will have to be taken in issuing stocks, as electricity pricing could affect its asset assessment, especially after China concept stocks, without exception, dropped drastically last winter.

Hampered by these two problems, the joint stock reform of the Gezhouba Hydroelectric Power Station has been suspended.

On behalf of his company, Yang recently visited the blockbuster fund-raising companies on Wall Street.

He's in constant contact with companies including Merrill Lynch, Salomon Brothers, Goldman, Sachs & Co. and Nomura Securities Co Ltd to prepare the project for bond issues, Yang said.

A third option is for the development corporation itself to issue bonds. Yang's company launched a move to issue bonds overseas this year but was suspended by the State on the grounds that China's foreign exchange reserves have been too big.

However, after installing generating units or the cutting off of the Yangtze, bond issues will be a major way to raise funds for the winding up of the projects.

Official on Growth in Jiang River Valley
OW3008053895 Beijing XINHUA in English
0247 GMT 30 Aug 95

[FBIS Transcribed Text] Beijing, August 30 (XINHUA) — Statistics revealed by the Ministry of Foreign Trade and Economic Co-operation shows the valley of the Chang Jiang River lured direct overseas investments totalling about 9.8 billion US dollars in 1994, accounting for 29 percent of the national total.

The figure is 17.2 times that of 1991, which totaled 571 million US dollars, accounting for merely 4.9 percent of the national total.

The valley has become the largest foreign investment belt since the Chang Jiang River Strategy was put into force in 1992, which targets setting up a prosperous Chang Jiang River economic belt, economists said.

The valley covers Jiangsu, Zhejiang, Anhui, Jiangxi, Hunan, Hubei and Sichuan provinces and China's leading metropolis, Shanghai.

About 50 giant transnational corporations have invested in the area, according to the statistics.

But the investment boom is just one side of the coin. An official with the State Council told XINHUA that the local economy has maintained a rapid growth rate over the past few years.

In 1994 the valley witnessed an average GDP growth rate of 14.66 percent, 2.86 percentage points higher than the national average.

The strategy has also helped speed up the formation of the Chang Jiang River economic belt. With Shanghai and Nanjing on the lower reaches, Wuhan and Yichang on the middle, and Chongqing on the upper reaches of the river as centers, five economic coordination areas have taken shape since 1992.

Hi-tech industrial development zones have also made substantial progress. Among the country's 52 zones, 17 are located in the valley, with annual product value and gross income accounting for about 40 percent of the 52 zones' total.

With the development of the Pudong New Area of Shanghai, and the Three Gorges Project, the Chang Jiang River Valley is becoming potentially the third area of rapid economic growth in China, after Guangdong and the eastern coastal areas, economists say.

World Bank-Funded Afforestation Program Ends

*OW3008053995 Beijing XINHUA in English
0248 GMT 30 Aug 95*

[FBIS Transcribed Text] Nanning, August 30 (XINHUA) — A World Bank-financed afforestation project in southwest China's Guangxi Zhuang Autonomous region has been successfully completed after five years.

With World Bank loans worth 130 million yuan and domestic funds of 83 million yuan, trees have been planted on an area of 97,400 ha, 2,400 ha more than originally planned, according to a provincial official, who said he expected the project to eventually earn a net profit of 1.767 billion yuan.

A sample survey has shown that the survival rate of young trees planted under the project stands at 95.3 percent.

The official noted that the project has added over 500 tree farms to Guangxi and enabled it to afforest all of its barren hills one year ahead of schedule.

Implementation of the project has also provided local research departments with afforestation-related technical expertise, according to the official.

International Cooperation in Science Noted

*OW2908140895 Beijing XINHUA in English
1346 GMT 29 Aug 95*

[FBIS Transcribed Text] Beijing, August 29 (XINHUA) — China has entered a period of international co-operation in science and technology at its most active ever, according to a working conference sponsored by China's State Science and Technology Commission (SSTC), that opened here today.

This is the sixth such conference held by SSTC on overseas affairs in the field of science and technology. The previous one was in 1990.

According to Wang Shaoqi, director of the International Co-operation Department of SSTC, from the fifth conference in 1990 up through 1992, China's co-operation with western countries in science and technology had not only recovered, but also made some breakthroughs.

China has by now signed inter-governmental co-operation agreements in science and technology with 86 countries. There had been more inter-ministerial agreements in science and technology, including 30 with the U.S., 17 with Russia, and 42 with France.

Non-governmental co-operation and exchanges exist on an even larger scale between scientific and academic institutions, universities, and enterprises. At present, China has such relations with 135 countries and regions around the globe.

Wang pointed out that China is willing to conduct comprehensive scientific and technological co-operation and exchanges with other countries and regions through various channels, on the principle of equality, mutual benefit, protection of intellectual property rights, and in keeping with conventional international practices.

Wang also said that China's scientific institutions stationed overseas have expanded further, with 121 scientific representatives having been sent to 61 embassies and consulates in 44 countries and regions around the world, compared with 43 in 32 countries and regions in 1990.

According to Wang, the scientific attaches have done a good job on inter-governmental co-operative agreements, surveying overseas markets, providing scientific information, and introducing overseas talent to China.

Future co-operation and exchanges will mainly focus on solving some problems in the national economy, coordinating implementation of some key scientific and technological development projects, providing services to the state's key construction projects, and finding new ways to co-operate.

Tri-Nation Air Conditioner Venture Set Up
OW2908162395 Beijing XINHUA in English
1611 GMT 29 Aug 95

[FBIS Transcribed Text] Hefei, August 29 (XINHUA) — Five companies from China, Japan, and the United States. Announced today the joint establishment of an air conditioner factory in the capital city of east China's Anhui Province.

A total of 110 million US dollars was invested in the joint venture, WCP International (Holding) Co., Ltd.

Winul International (Holding) Co., Ltd. of Hong Kong and Chofu Seisakusho Co., Ltd. of Japan provided 46 and 41 percent of the capital respectively, with the remaining shares held by Philco International of the US, Swan Air Conditioner General Company in Hefei, and Nichimen of Japan.

A spokesman for WCP said that its annual production capacity is 100,000 air conditioners but it will be able to produce 300,000 air conditioners a year by 1996.

Sichuan Province Increases Foreign Trade Volume
OW3008043995 Beijing XINHUA in English
0257 GMT 30 Aug 95

[FBIS Transcribed Text] Chengdu, August 30 (XINHUA) — Sichuan Province in southwest China has found markets for its products in more than 130 countries and regions all over the world, bringing in 2 billion US dollars annually.

The annual import and export trade volume now totals 3.7 billion US dollars.

Diao Jinxiang, deputy-governor of the province, attributed its success in foreign trade to the new strategy worked out by the provincial government, whereby the province set 100 marketable products up as key exports whose annual export volume exceeded 3 million US dollars each.

Priority was also given to developing foreign trade businesses in Chengdu and Chongqing, two key cities which generate 48 percent of the province's total import and export trade volume.

In addition, the province has devoted major efforts to developing large-scale foreign trade enterprise groups by introducing modern corporate methods, issuing shares, and in creating joint ventures.

Thus far, 13 pilot enterprise groups have been established, enjoying favorable policies.

Tianjin To Create Court, Procuratorate
OW3008085995 Beijing XINHUA in English
0833 GMT 30 Aug 95

[FBIS Transcribed Text] Tianjin, August 30 (XINHUA) — This north China port city will set up a court and a procuratorate in its economic and technical development zone, where the cases of economic disputes have increased over the past few years.

The Tianjin Municipal People's Congress has decided that the court and the procuratorate at district level in the zone will start operation at the end of the year.

Since the zone's establishment in 1984 the development area and the number of firms there have expanded constantly. As a result, cases, especially economic ones, have increased by a large margin in tandem with the economic development.

The Tianjin Intermediate People's Court opened a jurisdiction court in the zone in 1989. The court has judged 830 economic, civil and administrative cases, involving a total of one billion yuan. In 1991 the Tianjin People's Procuratorate opened an office there.

Agriculture

Anhui's Grain Production Steadily Increases
OW3008062295 Beijing XINHUA in English
0430 GMT 30 Aug 95

[FBIS Transcribed Text] Hefei, August 30 (XINHUA) — Anhui, one of China's main agricultural provinces, has seen its grain output rising steadily by an annual average of 4.17 percent from 14.85 billion kg in 1978 to 26 billion kg last year.

Its summer grain output this year was a record 7.9 billion kg.

To ensure farm production, the provincial government has strictly controlled the use of land for non-farming purposes and the establishment of development zones.

Meanwhile, it has encouraged farmers to open up barren areas suitable for farming and improve irrigation facilities, and sent agro-technicians to rural areas to help spread advanced farm skills and improved seed varieties.

Yunnan Paddy Production at 'Advanced Standards'
OW3008085895 Beijing XINHUA in English
0825 GMT 30 Aug 95

[FBIS Transcribed Text] Kunming, August 30 (XINHUA) — Paddy rice production in southwest China's Yunnan Province has reached the world's advanced

standards, with the country's Genetic Engineering Rice No.3 (GER-3) producing more than 15 tons per ha [hectares] in one season in one of its townships.

Experts say that, according to a sample survey, the output per ha has reached 15.797 tons in 7.866 ha of pilot fields sown with GER-3 seedlings, in Taoyuan Township in the province's Yongsheng County.

GER-3 was developed by Wan Wenju, an associate professor at the Hunan Agricultural University, and others, using the molecule breeding technique to transplant genes from corn to rice.

This new strain can produce sturdy and high-yielding paddy rice, which is not only resistant to natural adversities and diseases but also rich in vitamins B1 and B2, and trace elements such as iron and calcium.

The strain was introduced to this township and sown in the pilot fields last year.

Experts say that the fact that the genetic engineering rice seedlings have achieved high per-unit yield is significant for attempts to increase the country's overall grain output.

Efforts To Reduce Soil Erosion Viewed

OW3008090095 Beijing XINHUA in English
0822 GMT 30 Aug 95

[FBIS Transcribed Text] Shijiazhuang, August 30 (XINHUA) — China has curbed soil erosion on an area of 38,000 sq [square] km and increased its arable land by 1,000 sq km over the past 12 years.

The government has invested a total of 1.15 billion yuan in its efforts to fight soil erosion, according to Guo Tingfu, head of the Water and Soil Conservation Department under the Ministry of Water Resources.

Guo said that the past 12 years have seen a reduction of 1.1 billion tons of eroded soil in the eight key prevention areas nationwide, and an additional water storage capacity of 18.1 billion cu m [cubic meters].

The eight key areas are located at the sources of rivers, the official added.

According to Guo, the areas are mostly in the valleys of the Chang Jiang River, Yellow River, Yongdinghe River and Dalinghe River involving 47 counties in eight provinces, autonomous regions and municipalities covering a total area of 100,000 sq km.

The comprehensive prevention project includes the construction of dykes, terraced fields and batches of water conservation projects.

In line with the project, forest land of 33.3 million ha [hectares] and grassland of 3.3 million ha have also been created.

The sharp reduction of soil erosion has brought huge economic benefits with it, the official said.

Statistics released by the Ministry of Water Resources show that over 3.3 million ha of fruit trees have been planted in the treated areas, which produce an annual fruit output of 25 billion kg.

The average annual net income per capita for farmers within these areas is as high as 2,200 yuan.

On the upper reaches of the Yellow River, the worst-afflicted area, the loss of mud and sand has been sharply reduced from 1.6 billion tons annually in the past to 300 to 500 million tons in recent years, the official added.

*Grain Import, Export Policy Analyzed

95CE0550A Beijing NONGYE JINGJI WENTI
[PROBLEMS OF AGRICULTURAL ECONOMY]
in Chinese 23 Jun 95 No 6, pp 15-17

[Article by Ji Mingfeng (0370 0682 1496), Administration and Management Academy, Beijing Agriculture University: "Analysis of the Country's Grain Import and Export Policy"]

[FBIS Translated Text]1. Analysis of the Country's Grain Import and Export Policy

China's grain import and export policy is reflected in a concrete grain import and export operating process. The grain import operating process is as follows: First, the State Planning Commission draws up a plan for the quantity and kinds of grain to be imported after which the plan is turned over to the Foreign Trade Agency for discussion and implementation. The Foreign Trade Agency buys the grain on the international market and turns it over to the grain agency at a prescribed price. This price is called the import allocation and delivery price. The import allocation and delivery price is based on the domestic grain price. It is not affected by the international market price and the actual import price (Han Zhirong [7281 1807 2837], 1992). It is equal to the average uniform procurement price for the same kinds and quality of grain from nine ports of entry (Dalian, Qinhuangdao, Tianjin, Qingdao, Lianyungang, Shanghai, Xiamen, Zhanjiang, and Guangzhou). When the import allocation and delivery price is higher than the import price, the difference is turned over to the grain agency (the former Ministry of Commerce). When it is lower than the import price, the Finance and Trade Agency pays the difference to the Foreign Trade Agency as a subsidy (Gao Zhixin [7559 1807 0207],

1993). The grain export operating process is as follows: First, the government draws up an export plan after which the Foreign Trade Agency becomes responsible for foreign negotiations and export, the exported grain being provided by the grain agency at a set price. This price is called the allocation and delivery price.

The export allocation and delivery price = (the internal allocation and delivery price within the grain system + export costs) x (1 + profit rate).

In the formula, the internal allocation and delivery price within the grain system is the uniform procurement price in the capital of the province that provides the grain, plus business expenses. Export costs include the quality price difference and costs incurred prior to delivery in processing the grain for export, and expenses beyond those incurred for internal allocation. These costs constitute a quality price difference. They are reflected in the export price, and they compensate those who bear the costs. Business expenses and the profit rate are uniformly set. Clearly, the main variable affecting the export allocation and delivery price is the uniform procurement price. Since the government changed uniform procurement to contract procurement in 1985, (and then changed contract procurement to state fixed procurement in 1990), no longer is the uniform grain procurement price the main procurement price; nevertheless, some of the state fixed procurement of grain is figured on the procurement price. Specifically, the grain import and export allocation and delivery price is still figured on the uniform procurement price (Gao Zhixin, 1993). Consequently, the fixed procurement price remains the basis on which we analyze grain imports and exports.

The above operating procedures show China's grain import and export policy to have the following features: 1) use of a plan to control the quantity and kinds of grain imported and exported to avoid a situation in which changes in the scale of grain imports and exports hurt the domestic market. 2) state use of import allocation prices and export prices to wall off the international grain market from the domestic grain market, thereby enabling the domestic market to become an islet-like closed market. 3) The import and export allocation and delivery price is the operating hub of this grain import and export policy. This price depends on the domestic uniform grain procurement price, and does not change as the international grain market changes. Thus, the uniform grain procurement price, and the domestic grain procurement policy become the bases for the country's grain import and export policy.

Changes in benefit distribution that this policy occasions are as follows: As long as the export price of grain is

higher than the fixed procurement price, the government can profit from exports, no matter whether the export price is, or is not, higher than the domestic market price. Therefore, for more than a decade, it has been the fixed procurement price rather than the domestic market price that has determined whether China's grain prices have had a competitive advantage. Since the fixed procurement price has frequently been lower than the market price, government export has been encouraged. Conversely, only when the export price of grain has been lower than the fixed procurement price has the government imported grain actively without reference to the market price. Inasmuch as the fixed procurement price has frequently been lower than the market price, government grain imports have been restrained relative to the market price.

The above analysis suggests that China's grain import and export policy has lowered grain export costs, thereby increasing the competitive advantage of grain exports. Also, China's grain import and export policy has decreased the benefit from importing grain, thereby restraining grain imports. It is a policy that rewards exports and restricts imports. The changes in the distribution of benefits that this policy occasions are as follows: It provides the advantage of grain-exporting peasants making a free contribution, and urban residents enjoying low-priced imported grain. This effect is entirely consonant with the effect of domestic grain procurement and marketing policy.

Verification of Data

Now, let us examine the country's main grain import and export varieties—rice, corn, soybeans, and wheat—as a basis for verifying the above theoretical analysis.

In the export of grain, the government's actual benefit obtained from the export of grain, the formula for calculating which is as follows: actual benefit = (export price - fixed procurement price) x export volume. Possible benefit is the benefit that might be obtained from the export of grain were there no fixed grain procurement policy, the government thus having no choice but to purchase export grain on the market, the formula for calculating which is as follows: possible benefit = (export price - domestic market price) x export volume. Benefits from fixed procurement policy are reflected as follows: peasant subsidization of government grain exports, the formula for calculating which is as follows: fixed procurement policy benefit = (domestic market price - fixed procurement price) x export volume = actual benefit - possible benefit.

From 1985 through 1993, the export price of rice was generally higher than the domestic market price, and

the domestic market price was always higher than the fixed procurement price. This meant that the country enjoyed a competitive advantage in the export of rice from the standpoint of both the fixed procurement price and the market price. Figured at constant 1985 prices, the government's total profit from the export of rice

during this nine year period was 1.7 billion yuan, 1.4 billion yuan of which derived from subsidization by the peasants through the fixed procurement policy. Without a fixed grain procurement policy, government profits would have been only 300 million yuan (See Table 1).

Table 1. Analysis of Returns of Rice and Corn Export Policy

Year	Export Quantity (10,000 tons)		Fixed Procurement Price (yuan/ton)		Domestic Market Price (yuan/ton)		Export Price (yuan/ton)		Possible Benefit (10,000 yuan)		Actual Benefit (10,000)		Fixed Procurement Policy Benefit (10,000 yuan)	
	Rice	Corn	Rice	Corn	Rice	Corn	Rice	Corn	Rice	Corn	Rice	Corn	Rice	Corn
1985	102	596.7	470	312	554	373	711	391	16,014	10,723	24,582	47,060	9,468	36,337
1986	96	570.6	478	317	662	450	722	397	5,435	-28,537	22,104	43,075	16,669	71,612
1987	99	384.7	518	332	766	503	685	304	-7,051	-67,351	14,537	-9,471	21,588	57,844
1988	71	352.2	540	347	960	612	979	373	1,001	-62,468	23,131	6,796	22,130	69,264
1989	34	349.2	650	371	1,332	781	1,447	600	2,463	-39,812	17,069	50,370	14,606	90,182
1990	30	288.7	702	376	1,066	690	1,439	614	6,904	-13,536	13,641	42,390	6,737	55,926
1991	69	748.7	698	376	966	594	1,216	589	10,343	-2244	21,428	95,607	11,086	97,851
1992	121	1,043.6	770	416	1,058	628	1,271	670	14,659	24,930	34,479	150,766	19,820	125,836
1993	143	1,100	950	460	1,310	722	1,016	598	-21,112	-68,535	4,742	76,272	25,854	144,807
Total	28,655								-246,794	175,713	502,865	147,958	749,659	

Source of Data: Market Information Department, Ministry of Agriculture: Fixed Procurement Prices and Domestic Market Prices; "Chinese Foreign Trade Statistics Yearbooks," and "Chinese Customs Statistics Yearbooks": Export Quantities and Export Prices. Explanation: Fixed procurement price and market price of corn extrapolated from the simple mean value of the average price for the whole year of japonica and indica rice. The rice out-turn rate is figured at 80 percent. Processing fees are figured at 10 percent of fixed procurement price. Exchange rate is the official exchange rate. Benefit is figured at constant 1985 prices.

During this period, the fixed procurement price of corn was always lower than the market price, and the export

price of corn was also lower than the domestic market price for the same period (except for 1985). However, it was higher than the fixed procurement price, thereby showing that the competitive advantage from the export of corn derived largely from the fixed corn procurement policy. Were the fixed procurement policy abolished, and the government purchased corn from the market, corn would have lost its competitive advantage. The government's actual benefit from corn exports during the nine year period was 4.5 billion yuan. Were it not for the fixed procurement policy, government would have incurred a loss of 3 billion from corn exports, and the peasants' contribution to corn exports would have reached 7.5 billion yuan (See Table 1).

Table 2. Analysis of Returns From Soybean and Wheat Export Policy

Year	Export Quantity (10,000 tons)		Fixed Procurement Price(yuan/ton)		Domestic Market Price (yuan/ton)		Export Price (yuan/ton)		Possible Benefit (10,000 yuan)		Actual Benefit (10,000)		Fixed Procurement Policy Benefit (10,000 yuan)	
	Rice	Corn	Rice	Corn	Rice	Corn	Rice	Corn	Rice	Corn	Rice	Corn	Rice	Corn
1985	115.1	563.2	668	426	877	462	755	431	-	14,042	17,459	10,014	-2,816	24,056
														20,275
1986	130.1	575.4	699	436	978	537	835	416	-	17,556	65,699	16,696	10,859	34,252
														54,840
1987	171.4	1,334.1	741	442	1,094	621	783	355	-	46,871	312,035	6,330	102,057	53,201
														44209,978
1988	145.9	1,391	745	467	1,345	763	967	364	-	40,928	411,880	24,037	106,325	64,965
														305,555
1989	117.1	1,470.3	782	506	1,773	1,064	1,407	706	-	27,025	331,551	46,150	-	73,175
													185,224	516,775
1990	91	1,233.5	835	508	1,585	880	1,256	770	-	18,471	83,709	23,636	-	42,107
													199,380	283,089
1991	106.5	1,282.5	884	500	1,504	783	1,290	511	-	13,664	209,136	25,923	-8,458	39,587
														217,594
1992	84.5	1,034	910	594	1,801	775	1,395	686	-	19,513	52,341	23,310	-	42,823
													54,106	106,447
1993	37	642	1,040	658	2,192	814	1,584	747	-	11,303	21,613	10,113	-	21,416
													29,354	50,967
Total					-209,373				1,515,423	3186,209	-	206,097	395,582	1,765,520

Source of Data: same as for Table 1. Explanation. Benefit figured at constant 1985 prices. Official exchange rate used for rate of exchange.

Table 2 provides an analysis of the benefit from soybean and wheat export policy. The table shows that the export price of soybeans was always lower than the market price, but higher than the fixed procurement price. This was similar to the situation for corn, showing that the soybean fixed procurement policy greatly enhanced competitive export advantage. But for the fixed procurement policy government would have incurred 2 billion yuan of losses during the nine year period, but it collected nearly 4 billion yuan from the peasants through the fixed procurement policy. This both made up the government's losses and produced a profit of nearly 1.8 billion.

Table 2 provides an analysis of the benefit from the wheat import policy. In that table, the implications of the possible benefit is as follows: Had it not allocated and delivered imported wheat at the uniform procurement

price, the benefit that the government might have obtained from wheat imports may be figured using the following formula: possible benefit = (domestic market price - imported price x amount imported). Actual benefit is the actual profit government made on the import of wheat, the formula for calculating which is as follows: actual benefit = (fixed procurement price - import price) x amount imported. Fixed procurement policy benefit reflects government subsidization of urban residents (government sales to urban residents at parity price, for example; thus, this subsidy is only a part of the total subsidy), the formula for calculating which is as follows: fixed procurement policy benefit = (fixed procurement price - domestic market price) x quantity imported = actual benefit - possible benefit.

From 1985 through 1993, the import price of wheat was consistently lower than the domestic market price, and comparable to the fixed procurement price. During three of the nine years, the import price was lower than the fixed procurement price. In the other six, it was higher than the fixed procurement price. This is to say that in

view of the market price, interest in imported wheat was high; in terms of the fixed procurement price, interest in imported wheat was much weaker. Figured at constant 1985 prices, government lost approximately 2.5 billion yuan on imported wheat. Had it sold the wheat at the market price, government could have made a profit of approximately 15 billion. In other words, government wheat imports subsidized urban residents to the tune of 17 billion yuan.

Overall, the above analysis suggests that the peasants greatly subsidized grain exports, thereby enhancing the competitive advantage of grain exports. This was particularly true for corn and soybeans whose competitive advantage would have been greatly weakened or lost but for peasant subsidization. The allocation and delivery of imported wheat at the unified procurement price provided urban residents an average annual consumption subsidy of 2 billion yuan. Between 1985 and 1993, government made a profit of more than 7 billion yuan on grain imports, and urban residents obtained a subsidy of 17 billion yuan. The export subsidy that the peasants paid totaled as much as 13 billion yuan (figured at constant 1985 prices). This shows the size of the benefit from the country's grain import and export policy.

3. Final Evaluation

1. China's grain import and export policy has two basic characteristics: A) It rewards exports and restricts imports. B) When grain is exported, producers subsidize (or pay taxes) to entrepreneurs. When grain is imported, entrepreneurs subsidize consumers.

2. The price that determines the competitive advantage of China's grain is the fixed procurement price, not the domestic market price. A substantial amount of China's grain exports during the past decade has been supported by the fixed procurement policy as well as the import-export policy. Were grain purchased entirely at the market price, the grain import and export policy would lose its foundation, and the grain imports and exports would be greatly impaired. On the basis of this article's analysis, exports of soybeans and corn would decline tremendously, but wheat imports would increase tremendously (only the affect of policy is considered here).

3. The existence of the above policy is consistent with the country's specific stage of historical development. Since founding of New China, the country has faced pressures from accelerated industrialization. The force powering rapid industrial development lay in lowering industrial costs and increasing industrial profits. This policy helped realize this objective. Rewarding exports and limiting imports of grain may create foreign exchange earnings or save foreign exchange to enable the purchase from abroad of the wherewithal needed to develop industry. Subsidization of the consumption of urban consumers can lower manpower costs, and increase industrial profit-making capabilities and accumulations. Therefore, the grain import and export policy is just one of many means of getting accumulations for industry from agriculture.

East Region

Jiangxi Electronics Industry Increases in Value
OW2908015895 Beijing XINHUA in English
0129 GMT 29 Aug 95

[FBIS Transcribed Text] Beijing, August 29 (XINHUA) — East China's Jiangxi province completed 1.65 billion yuan worth of total output value in its electronics industry in the first half of this year, up 11 percent over the same period of last year.

The sales income reached 850 million yuan, while the pre-tax profit hit 48 million yuan, up 11.2 percent and 6.3 percent respectively.

In the first half of this year, the provincial government has expanded production of some major electronics products, including telephones, program-controlled switchboards, television, cassette recorders, and refrigerators.

In addition, the province has totally produced 656 million electronics components.

The provincial government has also implemented more preferential policies to support some export-oriented enterprises.

Taiwanese Aviation Group Ends Shanghai Visit
OW2808160295 Beijing XINHUA in English
1552 GMT 28 Aug 95

[FBIS Transcribed Text] Shanghai, August 28 (XINHUA) — A 37-member delegation from Taiwan's civil aviation industry ended a four-day visit in Shanghai and left for home today.

The delegation met with officials of the Shanghai and Eastern airlines, explaining developments in their own aviation industry, while they made a tour of this biggest industrial city of China.

Pian Hsih, leader of the delegation, said they were impressed by the hospitality accorded by their Shanghai counterparts and that both sides are interested in developing direct flights between Shanghai and Taiwan.

Shanghai Enterprises Develop New Products
OW2908033095 Beijing XINHUA in English
0255 GMT 29 Aug 95

[FBIS Transcribed Text] Beijing, August 29 (XINHUA) — Industrial enterprises in China's biggest industrial city of Shanghai developed more than 9,000 varieties of new products in the first half of this year, which yielded a total output value of 19 billion yuan in the period.

Major new products include large-screen televisions, portable computers and air-conditioner compressors.

More than 20 newly-established enterprise groups in Shanghai have set up technology developing centers, in a bid to form a solid competitive edge in the domestic market.

This year, Shanghai has operated 181 new-product developing projects with a newly increased output value of about ten million yuan each.

Zhejiang Province Appoints New Vice Governors
OW3008053295 Hangzhou ZHEJIANG RIBAO
in Chinese 20 Aug 95 p 1

["The Zhejiang Provincial People's Congress Standing Committee's Namelist of Appointments and Removals — Adopted at the 21st Meeting of the Eighth Zhejiang Provincial People's Congress Standing Committee on 19 August 1995"]

[FBIS Translated Text] The 21st meeting of the Eighth Zhejiang Provincial People's Congress Standing Committee has decided to appoint Lu Songting and Ye Rongbao [0673 2837 1405] as vice governors of Zhejiang Province; it has also decided to accept Xu Yunhong's resignation as vice governor of Zhejiang Province.

Central-South Region

Guangdong 'To Accelerate' Cultural Development
OW2908094195 Beijing XINHUA in English
0915 GMT 29 Aug 95

[FBIS Transcribed Text] Guangzhou, August 29 (XINHUA) — The government of Guangdong province has worked out a plan to accelerate the development of culture in the area.

This program deals with a wide range of culture, art, education and tourism. Modern cinemas, music halls, art galleries and libraries will be established to enrich people's daily lives and improve their living standards.

Revolutions, which broke out in Guangdong in the last 100 years, have left rich historical and revolutionary relics, and the government will set up some bases for education in patriotism and for tourism there.

China is now in a historical period of great change. The central government is deepening the reforms and opening-up in a bid to develop its economy, politics and culture. The local government is determined to simultaneously foster both material progress, and cultural and ideological progress, so as to achieve the modernization of culture in Guangdong by the year 2010.

Importance of Women Officials in Guangxi Noted
OW3008050995 Beijing XINHUA in English
 0248 GMT 30 Aug 95

[FBIS Transcribed Text] Nanning, August 30 (XINHUA) — Southwest China's Guangxi Zhuang Autonomous Region has placed big importance on promoting and appointing of women officials of all ethnic backgrounds.

Statistics show that the region has as many as 290,000 women officials at all levels, about 80,000 of them being from ethnic minority groups, including the Zhuang, Miao, Yao, Gin, Mulam, and Maonan.

Women officials play an important role in Party and government organizations in about 103 counties.

In counties and townships, about 700 women were assigned to important leading posts last year.

In order to improve their scientific and cultural level, about 50,000 women have been sent to study in technical secondary schools, and another 23,000 have taken classes in colleges since 1990.

The number of women technical personnel in the region has risen to 280,000, compared with 187,000 in 1991, and the number of officials with bachelor's degrees increased from 14 percent in 1990 to the present 24 percent.

Hainan's Tourist Development Efforts 'Pay Off'
OW2608034395 Beijing XINHUA in English
 0240 GMT 26 Aug 95

[FBIS Transcribed Text] Haikou, August 26 (XINHUA) — South China's Hainan Province has been making painstaking efforts to develop its international tourism market and the efforts have begun to pay off.

According to local officials, the province received 155,000 overseas tourists in the first half of this year, an increase of 59 percent over the same period last year, and earned 200 million U.S. dollars from tourism services.

Hainan worked out a strategy of enhancing its traditional markets in Hong Kong and Macao and concentrating efforts on expanding tourism markets in Japan, the Republic of Korea, Southeast Asian countries and in Europe and the United States.

To realize this development plan, Hainan has made vigorous efforts to strengthen construction of "software and hardware" facilities for the tourism industry.

So far, the island province has 32 star-rated hotels, and has 250 designated tourist bodies for receiving overseas tourists. Building and rebuilding of more than 100 major

tourist projects will be finished and put into use at the end of this year.

Haikou, the provincial capital, has started chartered tourist flights to Hong Kong, Singapore, Bangkok and Kuala Lumpur. Three luxury pleasure boat voyages are available a week between Haikou and Hong Kong.

Following the completion of an international airport in Sanya City on the southern tip of Hainan, chartered flights from Sanya to Hong Kong, and from Sanya to Germany will soon be available within this year, and chartered flights from Sanya to Japan and to the Republic of Korea are under preparation.

The province has also worked out a series of measures to attract overseas tourists. For instance, the province recently published "Tourism Management Regulations of Hainan Province" which stipulate that overseas tourists in Hainan enjoy the same treatment and be charged the same prices as domestic tourists in finding hotel rooms, buying food, shopping, transportation, paying fees for airport construction and tickets to scenic spots.

Hainan Airport To Expand International Routes
OW2908161595 Beijing XINHUA in English
 1557 GMT 29 Aug 95

[FBIS Transcribed Text] Haikou, August 29 (XINHUA) — With the government's approval, Fenghuang (Phoenix) International Airport of Sanya City on the southern tip of Hainan Province will soon add eight new international air routes.

According to local officials, the routes will be to Hong Kong, Macao, Singapore, Bangkok, Malaysia, Tokyo, Osaka, and Seoul. Chartered flights from Sanya to Oklahoma City in the United States will also be available on August 31.

The airport, which was put into operation a year ago, is the only modern airport on the southern tip of Hainan Island.

Sanya is one of the ten major tourist and holiday zones approved by the State Council and has also been designated as the site of a ceremony for '96 China Tourism, Holiday and Leisure-Seeking Tour Program prepared by the National Tourism Administration of China.

Local officials say that the opening of the new international air routes will add to the development of the tourist business in this island province of Hainan.

Hubei Holds Meeting on Party Paper Distribution

SK2908234995 Wuhan Hubei People's Radio Network
in Mandarin 1000 GMT 28 Aug 95

[FBIS Translated Text] From 27 to 28 August, the propaganda department of the provincial party committee and provincial post and telecommunications administration jointly held a provincial meeting regarding the 1996 distribution of party newspapers and party journals in (Ezhou). Wang Zhongnong, Standing Committee member of the provincial party committee and director of its propaganda department, attended and addressed the meeting.

In his speech, Wang Zhongnong emphasized: Party newspapers and journals constitute the party's important ideological front and the front of public opinion; they are the bridge and channel for the party and government to maintain ties with the masses. We should approach the distribution of party newspapers and party journals from the perspective of the ruling party, the cause of the party, and the cause of the people; should truly include it in the agenda of party committees at all levels; and should regard it as a serious political task.

Wang Zhongnong pointed out: This year's focus of the party newspapers and journals at the central level is RENMIN RIBAO, QISHI, GUANGMING RIBAO, JINGJI RIBAO, XINHUA MEIRI DIANXUN [XINHUA DAILY DISPATCH], and BAN YUE TAN; those at the provincial level are HUBEI RIBAO, HUBEI NONGMIN BAO [HUBEI PEASANTS' PAPER], DANGYUAN SHENGHUO [PARTY MEMBERS' LIFE], CHENGSHI DANGJIAN [URBAN PARTY BUILDING], ZHENGCE [POLICY], HUBEI ZHENGBAO [HUBEI POLITICAL PAPER], and XUANCHUAN YU ZHENGONG [PROPAGANDA AND POLITICAL WORK] which will be renamed HUBEI XUANCHUAN [HUBEI PROPAGANDA]. Meanwhile, attention should also be given to the distribution of key newspapers and journals such as LIAOWANG, JINGJI CANKAO, SHISHI BAOGAO [CURRENT EVENT REPORT], [words indistinct], HUBEI JINGJI BAO [HUBEI ECONOMIC PAPER], HUBEI KEJI BAO [HUBEI SCIENCE AND TECHNOLOGY PAPER], and GUOFANG JIAOYU BAO [NATIONAL DEFENSE PAPER]. Effective measures should be taken to ensure the distribution of party newspapers and journals.

Southwest Region

Tibet Holds Fifth Regional CPC Party Congress

Chen Kuiyan Report

OW2508131895 Lhasa XIZANG RIBAO in Chinese
5 Aug 95 pp 1, 2

[Report by Chen Kuiyuan on "Carrying Out the Guiding Spirit of the Third Discussion Meeting on Tibet Work and Working Hard To Achieve the Grand Goal by the End of This Century;" delivered at the Fifth Tibet Autonomous Regional CPC Congress in Lhasa on 29 July]

[FBIS Translated Text] Comrades:

The Fifth Tibet Autonomous Regional CPC Congress is solemnly held in a new situation in which the drive of reform, opening up, and modernization is accelerating in our region.

Now, on behalf of the Fourth Tibet Autonomous Regional CPC Committee, I would like to make the following report to the congress:

The tasks of this congress are these: Guided by Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the basic line of the party, we will conscientiously sum up the work since the Fourth Tibet Autonomous Regional CPC Congress, study and determine a strategic plan for a period in the future, form through election the Fifth Tibet Autonomous Regional CPC Congress, mobilize the great masses of party members in the region, and unite and lead people of all nationalities in the region to further emancipate our minds, seize the current opportunity to accelerate development, maintain stability, and work hard to achieve the grand goal set at the Third Discussion Meeting on Tibet Work.

1. Upholding the Basic Line of the Party and Striving To Raise All Undertakings in Tibet to a New Level

Guided by Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, we have upheld the basic line of the party, conscientiously carried out the decision of "one center, two projects, and three assurances" adopted by the Fourth Tibet Autonomous Regional CPC Congress, and united and led the broad masses of party members and people of all nationalities to further emancipate our minds, change age-old ideas, and work hard with one heart and one mind. As a result, we have made progress in promoting modernization and maintaining a political characteristic of stability and unity. Last July, the CPC Central Committee and the State Council held a meeting with historic

significance — the Third Discussion Meeting on Tibet Work. The meeting, with an overall strategic interest in mind, formulated a guiding ideology, strategic plan, principled policies, and supplementary measures, which have shown a direction for creating a new situation of promoting socialist modernization in our region and set up a new cornerstone for the progress of the Four Modernizations.

Reviewing the progress we have made over the past five years since the Fourth Tibet Autonomous Regional CPC Committee, we are sure to say that we have continued to unify our understanding, correct ideology, and work hard in unison. We are sure to say that we have further emancipated and developed productive forces. As a result, we have witnessed the most rapid growth of national economy in our region and people have enjoyed more profits over the past five years. We are sure to say that we have held high the banner of antiseperatism and maintained basic social stability over the past five years. We are sure to say that the whole party has worked hard with a united spirit and it has improved its building and leadership over the past five years. With the efforts made in the past five years, Tibet has witnessed profound changes and its undertakings are moving along a healthy track.

(1) Using reform as a mobilizing force to promote sustained, rapid, and healthy development of the national economy.

Since 1990, particularly since Comrade Deng Xiaoping's inspection trip to south China and the 14th party congress, China has made rapid economic development. As a result, the economic gap between our region and the rest of the country is getting wider and wider. Faced with this fact, we have determined to proceed from the realities in Tibet and seize every opportunity that presents itself for our development so as to accelerate the revitalization of Tibet. Based on the principle of emancipating our minds, accelerating reform and opening up, promoting farming and animal husbandry, developing and utilizing advantageous local resources, and building infrastructure, and developing Tibet through the promotion of science and education, we have formulated a series of concrete measures.

To further smash the rigid way of thinking, to free cadres and people from conservative ideology and some customs, and to remove ideological obstacles that lie in the way of reform and opening up, we have used Comrade Deng Xiaoping's speeches and the 14th party congress document as our spiritual weapons and launched in a big way another round of regional campaigns to study and discuss ways to emancipate our minds. We have sent many groups of cadres

to the hinterland and coastal areas to study, conduct inspections, and work with local governments in the hinterland and coastal areas in order to gain experiences. Thanks to these methods, leaders at all levels and many cadres have made satisfactory progress in their thinking. They have acquired a sense of importance about reform and opening up, as well as a sense of urgency to accelerate economic development and laying a good ideological foundation for speeding up development in the region.

To change a situation in which our national economy appears to be short of vitality, we have groped continuously for new thinking and measures for reform and opening up. Centering on the general goal of establishing a socialist market economy, we have introduced plans and measures for reform in the areas of state-owned enterprises, farming and pastoral areas, economic planning, finance, revenue, investment, foreign trade, circulation, pricing, social security, and public housing. We have redoubled our efforts in conducting investigations and research and attached great importance to studying and dealing with various contradictions and problems cropping up during the course of carrying out these plans and measures so as to ensure the smooth progress of reform. In the aspect of opening up to the outside world, we made a "decision concerning deepening reform and opening wider to the outside world" in 1992. With it, we clearly set forth a plan for opening up, with an emphasis on opening wider to all provinces, cities, regions in the hinterland. We have encouraged and supported economic entities and individuals from the hinterland to run various kinds of enterprises in Tibet. We have taken active measures to expand various forms of economic cooperation and exchanges with the hinterland. Regarding opening up to foreign countries, we have encouraged the development of international trade, regional trade, and border trade. As a result, the scale and economic performance of our trade have increased by a great margin. In 1994 the volume of our imports and exports increased by 8.1 times over 1987.

We have always insisted on the principle of strengthening the role of farming and animal husbandry as the foundation of the national economy. Under the premise of making great efforts to promote farming and animal husbandry production and ensure a stable growth of total output of farming and animal products, we have made conspicuous efforts to promote overall development of farming and animal husbandry production, developing village and town enterprises and a diversified economy, and helping poverty-stricken counties and townships to lift out of poverty and embark on the road to prosperity. The smooth progress of the comprehensive agricultural development project for the Yarlung Zangbo,

Lhasa, and Nyang Qu River valleys, as well as the construction of natural disaster-proof animal husbandry production bases in northern Tibet have strengthened the ability of farming and animal husbandry sectors to resist natural disasters. The development of village and town enterprises as well as a diversified economy has increased economic strength in farming and pastoral areas and provided more opportunities for peasants and herdsmen to become rich. Although initiated rather late and limited by their scope, projects for aiding the poor — such as lifting the poor out of poverty through developing the local economy, through relying on scientific and technological progress, providing loans, and providing assistance from party and government organs and institutions — have achieved marked results and opened up new ways for aiding the poor.

To change the situation of the secondary industry lagging behind and the structure of the national economic system being seriously unbalanced, we have specifically proposed to emphatically develop mining, forestry, animal husbandry, and medical care products, as well as the processing industry. We have energetically developed the secondary industry and transformed advantages in resources into economic benefits. Under the state's arrangements and support, we have sped up preliminary work, including the formulation of programs to conduct geological surveys and to investigate and develop resources.

We have made greater progress in infrastructural construction projects. Tibet has accumulatively invested 7.083 billion yuan in social fixed assets over the past five years. Tibet has successfully expanded the Gonggar Airport and renovated the Bangda Airport; completed its telecommunications projects for the Eighth Five-Year Plan ahead of schedule; and successfully upgraded the Qinghai-Tibet Highway and the Sichuan-Tibet Highway. Tibet expects to complete construction of the Yanghu hydroelectric power station ahead of schedule, and the station will begin operations earlier than expected. Tibet has also made favorable progress in beginning the 62 projects related to the grand celebration.

After five years' of arduous struggle, Tibet has improved its regional economy and remarkably raised its residents' living standards. In 1994 the value of its gross national product reached 4.23 billion yuan, up 37.7 percent over that of 1989 when calculated at constant prices, and local revenues were 142 million yuan, up 900 percent over that of 1989. In 1994, the per capita annual income of peasants and herdsmen reached 817 yuan, up 39.8 percent over that of 1989 when calculated at constant prices; and urban residents' living expenditure income was 3,596 yuan, up 109 percent over that of 1989.

(2) Tibet has smoothly developed education, science, and technology, and attained new accomplishments in socialist spiritual construction.

We have proposed and implemented the strategy that we should promote science and education to develop Tibet, stressing the leading roles of science and technology. We have strengthened the educational sector as a fundamental one for the whole economy and promoted scientific and technological progress to facilitate Tibet's economic takeoff. All concerned have earnestly implemented the "Outline for Reforming and Developing China's Education"; formulated and implemented the "Decision on Reforming and Developing Education"; and formulated and implemented the "Plans on Two Possessions and 80" (liang you ba ling ji hua 0357 2589 0360 7190 6060 0439). Consequently, Tibet has further specified its educational objectives, policies, and developmental goals; further restructured its educational system; and improved conditions of operating educational institutions, thereby upgrading the quality and efficiency of educational institutions. Tibet has built 1,080 various new schools at various levels over the past five years. In 1994, the total number of students in Tibet was 270,200, up 60.8 percent over that of 1989; and 67 percent of Tibet's school-age children were attending school, up 13.9 percent over 1989. The number of classes for Tibetan students in other inland provinces and localities has expanded, and the number of Tibetan students in such classes has surpassed 10,000. Tibet's scientific and technological circles have emphatically imported and promoted practical technology. In the past five years, Tibet has accomplished more than 300 scientific and technological achievements, including 154 awards for scientific and technological progress at regional level, and six awards at state level. Consequently, Tibet's scientific and technological progress has enhanced its economic growth.

While persistently serving the people and socialism and upholding the policy of "letting a hundred flowers blossom and a hundred schools of thought contend," we have actively developed undertakings, including radio, film, television, culture, art, news, publications, and social sciences. We have also striven to develop medical care and athletic endeavors. Even though our financial situation was tight and in deficit, we have still considerably increased funds to provide free medical care services to peasants and herdsmen in an effort to improve general health. As a result, we have also somewhat developed undertakings related to environmental protection and social welfare.

We have strengthened propaganda and ideological work, and striven to provide favorable ideological guarantee and public opinions conducive to safeguarding

political stability, deepening reform, opening up wider to the outside world, and enhancing economic and social development. We have intensified ideological and ethical education programs that persistently aimed at cultivating a new generation of Chinese people who will have revolutionary ideals, sound morals, good education, and a strong sense of discipline. To earnestly implement the CPC Central Committee's "Outline for Implementing Patriotic Education," we have formulated and implemented an "Outlined Plan of Spiritual Civilization Construction." We have launched activities among the staff and workers to enhance their sense of responsibility as masters of their own affairs and to urge them to attain more meritorious accomplishments while carrying out reform. We have extensively promoted patriotic "education among young people, aimed at cultivating them to become people who will have revolutionary ideals, sound morals, good education, and a strong sense of discipline"; and carried out "young civilization projects through the next century." We have also promoted "double-emulation and double-comparison" campaigns and "women-achieving-meritorious-accomplishments" activities among women. Additionally, we have promoted education among cadres and workers on the party's basic line and Old Tibet's spirit; have striven to publicize Comrade Kong Fansen's exemplary deeds; have conducted activities across Tibet to emulate Comrade Kong Fansen; and intensified campaigns to enhance common Army-police-people development. Consequently, all Tibetans pay attention to facilitating spiritual civilization construction.

(3) Conducting an in-depth antisplittist struggle and basically maintaining social stability.

Safeguarding state security and the unification of the motherland are the sacred duties of the party and people in Tibet, and resolutely fighting splittism and safeguarding social security are their overriding tasks. After the imposition and lifting of curfews in 1989 and 1990, respectively, the Dalai clique refused to resign to its defeat, its bluster for splittism was unbridled again after being held down for a while, and a new round of struggle between splittism and counter-splittism began. We have shifted our work focus to the central task of economic construction on the one hand, and conducted the in-depth antisplittist struggle on the other hand. We have further revealed the true colors, class substance, and evil purpose of Dalai and his splittist clique, and enhanced the consciousness and initiative of the broad masses of cadres and people in conducting the antisplittist struggle. By upholding the principles of giving tit for tat and launching attacks on our own initiative, we have timely, firmly, and resolutely handled many riots and

disturbances planned by pro-splittist forces and smashed the Dalai clique's scheme of "peacefully pushing toward Tibet." The screening of material for reactionary propaganda has effectively resisted the Dalai clique's political infiltration. In view of the Dalai's arbitrary announcement of the "reincarnated child of Panchen" on 14 May, the regional party committee has analyzed the situation and made arrangements in a timely manner. Under the leadership of the central authorities and with the support of party organizations at various levels, people from all walks of life and the broad masses were mobilized to expose the Dalai's political conspiracy through the sabotage of the Panchen's reincarnation — a powerful counterattack against the Dalai clique. We have also instituted the responsibility system for comprehensive management of public security; sternly cracked down on serious criminal offenders; and banned gambling, prostitution, and other social evils by relying on special organs and mobilizing the masses. We have seen public security improved as well as the emergence of many advanced units and individuals, such as the heroic group of the "1-12" sub-squad in Qamdo. The construction and administration on the border were further strengthened, whereas the work on foreign affairs and the external propaganda front have made positive contributions to the antisplittist struggle.

(4) Comprehensively implementing party policies toward united front work, nationalities, religion, and further intensifying the construction of the socialist democracy and legal system.

United front work has a special position and role in Tibet. Over the past few years, we have attached importance to summing up the experiences in united front work; firmly made antisplittism, safeguarding of the unification of the motherland and national unity, and service for Tibet's economy the norms of patriotism in the new era; and effectively pooled the strength from all quarters and brought every positive factor into play by uniting a large number of persons from various circles who supported the motherland's unification and socialist modernization drive and fully allowing them to play a role in political consultation, democratic supervision, and participation in the administration of state affairs.

We have made efforts to properly conduct ethnic work in the new era by firmly upholding the guiding principles of equality among nationalities and accelerating Tibet's development; holding high the banner of patriotism, unity, and progress; and mobilizing people of all nationalities to make concerted efforts for Tibet's development. We have conducted in-depth education in the Marxist national viewpoint among party members and cadres, held activities commending efforts to promote national unity and progress, and consolidated

and developed the undertakings for national unity and progress. We have conscientiously implemented the law on regional autonomy of minority nationalities and the party policy toward nationalities, vigorously trained and selected cadres of minority nationalities, and attached importance to the study and use of ethnic spoken and written languages. We have shown respect for the custom and practices of minority nationalities, renovated the Potala Palace and other key cultural relics and buildings, and protected the heritage of ethnic culture.

In religious work, we have persisted in comprehensively and correctly implementing party policies, respected and protected the freedom and rights of believers and nonbelievers, and guaranteed the legitimate activities of religious organizations in religious places. We have administered religious affairs in accordance with laws and in light of the actual situation in religious work in Tibet. We have conducted propaganda and education in patriotism and socialism among the broad masses of monks, nuns, and people, so that religion will suit socialism in a positive way.

In strengthening the construction of democracy and legal system, we have respected the functions and powers of people's congresses and their standing committees and made sure that the people's will and rights are truly addressed. We have intensified local legislation, particularly economic legislation, and successively formulated and revised 39 local laws and regulations and 38 administrative rules. We have conducted education throughout Tibet to enhance the legal concepts of the masses.

(5) We have paid attention to strengthening party building so as to continually upgrade the party's combat capability.

We have given top priority to the party's ideological construction; organized the broad masses of party members to comprehensively study Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics; launched general discussions on liberating the mind; and further consolidated the concept that development is the last word, thereby strengthening the party members' self-consciousness and resolution to implement the party's basic line. We have used party schools at various levels as bases to train cadres and preliminarily formed a system whereby party members will receive rotational training at party schools, undergo grass-roots training at mobile party schools in agricultural and pastoral areas, and get training during slack farming seasons. Consequently, the broad masses of party members have improved their political ideology and professional skills.

We have striven to strengthen party organizations. While pursuing the policy of upholding standards, en-

suring quality, improving structure, and cautiously expanding membership, we have absorbed 23,000 new party members. We have striven to strengthen the contingent of party cadres. We have cultivated, selected, and promoted cadres while carrying out the policies of reform and opening up, enhancing economic progress, and safeguarding stability. We have promoted a number of cadres, especially cadres of minor nationalities, who were morally sound and professionally competent with outstanding accomplishments, to various posts in leading bodies at various levels. With the central authorities' support, a number of cadres have been selected from organs directly under the CPC Central Committee and from 14 provinces and municipalities to work in Tibet. Consequently, the overall quality of leading bodies and cadres has improved. Tibet has also established and improved systems to evaluate party members and to strengthen leading bodies' ideologies and workstyle. We have selected and sent a large number of cadres to conduct socialist education programs in agricultural and pastoral areas and strengthened grass-roots party building at township level. We have paid attention to letting social groups and mass organizations play their roles as linking bridges between the party and the people, and intensified the work on old cadres, thereby further enhancing the party's cohesive power and combat capability.

We have earnestly strengthened the party's workstyle and honest-government building. Party committees and discipline inspection commissions at various levels have earnestly implemented relevant instructions and regulations of the CPC Central Committee and the Central Discipline Inspection Commission; comprehensively studied party disciplines and regulations with the broad masses of party members, especially leading cadres; launched anticorruption and honest-government-building education programs that stressed hard struggle, honesty, law-abiding behavior, and diligent services for the people; and enhanced their abilities to resist various decadent concepts. By resolutely implementing instructions of the CPC Central Committee and the Central Discipline Inspection Commission, party organizations, discipline inspection commissions, and supervision departments at various levels have investigated and handled a number of major and important cases, and punished a number of criminals who violated discipline and regulations. We have attained remarkable results in strengthening the anticorruption drive, party workstyle, and honest-government building. Most of the party members have passed the tests of reform and opening up.

Over the past five years, Tibet has accomplished enormous achievements in various undertakings. The fun-

damental reasons were that under the correct leadership of the CPC Central Committee, we have unremittingly carried out the major tasks on stability and development; correctly implemented party policies on nationalities and religion in an all-around manner; upheld the people's democratic dictatorship; and resolutely and unwaveringly strengthened the party's leading role as the political core. The above formats can be basic experiences for properly carrying out various tasks.

Tibet's enormous achievements in various undertakings have been the results of joint efforts by party committees, people's congresses, governments, and the Chinese People's Political Consultative Conference committees at various levels which worked with one mind and coordinated their struggles; by people of various nationalities who were united and jointly waged the struggle; by all the Chinese people who enthusiastically gave their support. We should extend our eternal respects to all the workers, peasants, herdsmen, educators, scientists, technicians, government and judicial cadres and policemen, commanders and fighters of the Liberation Army and armed police, and people of various circles who have made contributions to Tibet's stability, development, and progress. On behalf of the Fourth Tibet Autonomous Regional CPC Committee, I am extending our great respect and heartfelt gratitude to all the comrades and friends who have contributed to Tibetan development and progress.

A number of difficulties and problems still confront us on the road of our march forward, and many obvious gaps still exist in our work. We should correctly take stock of them. The situation of the struggle against splittism in Tibet is still grim. The Dalai clique will continue to carry out harassment in an attempt to disrupt social stability and economic development; a lack of ability to strive for our own development and a low level of development will continue to pose a difficulty to us; the party still faces an arduous task to promote ideological, political, and organizational building as well as the building of grass-roots organizations; quite a number of profound contradictions still exist in the process of establishing a socialist market economic system; negative factors hindering reform, opening up, and development and outmoded concepts incompatible with reform and opening up still stubbornly impede our progress; the work style of some leading organs and leading cadres are not rectified yet as bureaucracy, formalism, and the trend of attempting nothing and accomplishing nothing have not yet been eradicated; negative and corrupt phenomena still exist in some organs and among some cadres; and the task to improve the party's style of work and to keep party and government employees industrious and honest is still

very heavy. There will still be many specific problems existing in every prefecture and county. It is necessary for us to face up to them, surmount difficulties, and solve contradictions in a bid to continuously push forward the work on Tibet.

II. Accelerate Development, Maintain Stability, and Strive To Bring About Tibet's Long-Term Political Stability, Prosperity, and Progress

We shall approach 2000 in five more years. It is a crucial period for Tibet's economic and social development. General Secretary Jiang Zemin farsightedly pointed out: "By no means can we let Tibet be split from the motherland or remain backward for a protracted period of time. Only socialism can save and develop China. Likewise, only socialism can save and develop Tibet." His remarks fully show the central authorities' concern for Tibet, as well as their determination to support Tibet's development. The responsibility of the Tibet Autonomous Regional Party Committee is to integrate the instructions given by the central authorities with the actual conditions of Tibet, successfully fulfill the tasks at the present stage, and lay a sound foundation for the development in the next century.

The guiding policy determined by the central authorities on the work in Tibet during the new period is: "Relying on the Tibetan people and the people of all other nationalities, we should seize the opportunity to meet the challenges, deepen reform, open up wider, pay close attention to promoting economic development and stability by making economic construction the central task in a bid to ensure accelerated economic development, comprehensive social progress, long-term political stability, and continued improvement of the living standards in Tibet under the guidance of Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics and the party's basic line and with the support of all the Chinese people." All party comrades and all people in Tibet must firmly bear in mind the policy and make all-out efforts to implement it.

(1) Deepen reform, open wider to the outside world, advance with big strides toward a socialist market economic structure.

Reform is the fundamental motive force of socialist development. We must restructure our region's economy within the framework of the nation's economic restructuring and gradually establish a socialist market economic structure that automatically links up and operates in sync with the market economy of the rest of the country. Our region's market is not in a well-developed state. Departments in charge of the market and enter-

prises have a weak sense of the market. Many enterprises cannot survive without state support. They lack the motive force for survival and development by themselves. We must initiate economic restructuring to fundamentally change this passive state of affairs. First, we must deepen reform of state-owned enterprises, concentrating on giving enterprises decisionmaking power in operations and changing their operating mechanisms. We must step up the pace of establishing a modern enterprise system in accordance with the requirement for specific property rights, clearly defined rights and obligations, separation of enterprise management from government administration, and scientific management. In addition, we must successfully carry out the reform of small enterprises by reorganizing them into stockholding companies or by means of lease, sale, merger, and other forms of ownership transfer. After the completion of the 62 projects now under construction, we will have a group of new state-owned enterprises. These enterprises must operate according to the new enterprise system. We must establish a mixed economic structure embracing diverse economic sectors by encouraging the development of collective, individual, and private economic sectors. Second, we must deepen economic structural reform in farm and pastoral areas on the basis of maintaining the policy of "no changes in two aspects for a long time to come." We must work hard to develop the rural collective economy and improve service networks for agriculture and animal husbandry. Third, we must step up the pace of establishing a unified, open, competitive, and orderly market structure. We must take additional steps to build capital goods and consumer goods retail markets as well as various specialized wholesale markets, and we must vigorously cultivate and develop financial, technological, information, labor, and other production factor markets. Fourth, we must gradually reform and perfect distribution and social security systems. We must allow a number of people to become rich ahead of others through honest labor and legitimate business operations, and we must try to achieve general prosperity step by step. We must actively promote the reform of urban housing system and gradually achieve housing socialization and commercialization. Fifth, we must continue to push forward and perfect the reform of finance, taxation, banking, planning, investment, price, and trade management systems and gradually establish a macroeconomic regulation and control system and social security system compatible with the socialist market economy. We must do so in line with the economic structural reform. We must step up the pace of reforming party and government structures at all levels and actively promote the reform of personnel and cadre systems.

Opening to the outside world is a basic national policy. This is of particular meaning to Tibet, a region which has suffered from a long period of isolation. We must open wider to the interior and the outside world, not only in the economic field but also in science and technology, education, culture, and other areas. A precondition to opening up wider to the outside world is the further emancipation of our minds. Today there are still many old ideas fettering people's minds and obstructing and rejecting opening up. Only when the minds are completely emancipated can there be an excellent situation in opening up wider to the outside world. Otherwise, it would be difficult to enforce policies once they are established. We must open ourselves to provinces, autonomous regions, and municipalities in the interior in every direction. Areas close to the interior must take advantage of their proximity and take the lead in strengthening cooperation with it. We must fully use the opportunities created by the support given to Tibet by the 14 provinces and municipalities to strengthen exchange and cooperation with them. We must formulate realistic, preferential policies to enhance our appeal outside the region. We must combine our region's rich resources and preferential policies with the interior's personnel, technology, and financial strength so that the two can complement each other and develop hand in hand. Opening up is a two-way avenue. While bringing in things from the outside, we must also send things out. We must not take opening up as free aid. We must be active, not passive, in entering the nation's market economy to revitalize the region's economy from its stagnant or semistagnant state. While stepping up opening to the interior, we must do a good job of economic and technological cooperation with the outside world. We must create a more favorable investment environment and widen the area and channels attracting foreign investment. We must also open the path of wealth creation by investing in the most promising investment venues outside the region. We must continue to vigorously develop foreign trade and successfully build export bases and enterprises to stimulate production development in the region. We must actively develop border trade and promote the exchange of goods between border residents. We must use key ports as our windows to expand open areas along the border and promote the development of border trade. The precondition to opening Tibet to the outside world is the maintenance of stability. While actively opening up to the outside world, we must strengthen border control to prevent the infiltration by separatist groups.

(2) Accelerate Resource Development, Optimize Industrial Structure, and Enhance National Economic Vitality and Strength.

It is necessary to understand clearly that Tibet has a small, low-level, unsound, and irrational national economy. The proportions of the secondary and tertiary industries are too low and the region's economy is notably agriculturally based. The difference between Tibet's economic development and that of brother provinces and municipalities is difficult to compare. The region cannot bring into full play its own advantages in economic development due to exceptionally adverse conditions. To change this situation and bring about Tibet's great rejuvenation, we must combine the Central Committee's support and the Tibetan people's struggle. We must correctly handle the relations between stability, reform, and development, and establish an open and developed avenue. We must quickly draw up and implement Tibet's Ninth Five-Year Plan for national economic and social development to move forward with our brother provinces and municipalities in a sustained, rapid, and healthy manner.

We must truly establish the concept that agriculture and animal husbandry is Tibet's economic foundation. The party committee and government must give top priority to agriculture and animal husbandry in their economic tasks. Promoting agriculture and animal husbandry, developing agricultural and pastoral regions, and improving and raising peasants' and herdsmen's living standards are coordinated tasks. In Tibet, the task of guiding the peasants and herdsmen toward market-oriented economy; promoting high-yield, high-quality, and high-efficiency agriculture and animal husbandry; and instituting the change of the traditional to modern agricultural and animal husbandry production is an arduous and great transformation. In the next five years, we must basically aim to increase agricultural and livestock output; be self-sufficient in grain, meat, and edible oil supply; and increase peasants' and herdsmen's income. These tasks must be taken as the fundamental goals of economic development for agricultural and pastoral regions. We must strive to increase the input in agriculture and animal husbandry and ensure that programs and financial support for this sector will continue to increase. We must encourage collectives, peasants, and herdsmen to continue to increase their fund and labor service input. We must promote the rejuvenation of agriculture and animal husbandry through science and technology; establish and improve the network for promoting agrotechnology; develop and upgrade scientific and technological forces for the sector; strengthen the publicity for popularization of science and technical training among peasants and herdsmen; and vigorously promote the general application of advanced and practical scientific and technological achievements in agriculture and animal husbandry. We must strengthen infrastructure construction for agriculture and animal husbandry, com-

prehensively develop agriculture, and uphold the coordination of the state, collectives, and individual peasants and herdsmen in farmland capital constructions centered on water and soil conservation projects. We must quicken the improvement of medium- and low-yield farmlands and grassland cultivation, strive to improve production conditions, and enhance the capability to withstand natural disasters. We must quicken the restructuring of agricultural and animal husbandry products, centering on raising economic efficiency. We must gradually change from single-product farming to comprehensive agricultural production that combines planting and animal breeding with agricultural industries and trades. We must continue to implement the principle of "comprehensive planning, active support, correct guidance, and vigorous development." In addition, we must urge townships, villages, joint households, and individual households open wider and vigorously develop village and town enterprises and diversified operations geared toward the market. All prefectures (cities) and counties must learn from provinces, prefectures, and counties which provide direct assistance to them. Meanwhile, these prefectures (cities) and counties must uncover and lend support to typical local enterprises so that Tibet's village and town enterprises can truly develop. We must earnestly implement the state's program for extricating 80 million people from poverty in seven years through increasing the poor-aid fund and helping the poor in economic development. Party and governmental organizations at all levels and mass organizations must establish coordination points to help poor regions engage in production and quicken the pace of casting off poverty, and must not discontinue their efforts before the task is achieved.

The crux of Tibet's economic development lies in changing the exceptionally weak industrial sector. The region's national economy can truly gain vitality and staying power only through industrial development to increase its proportion in the economy. For Tibet to revitalize the industry, it must first aim to transform its natural resources to economic gain, upgrade its self-supporting capability, enhance its economic prowess, and increase financial income. Therefore, we must exploit to the full our favorable conditions while avoiding unfavorable ones. We must attach great importance to attaining economic efficiency and social benefits. We must vigorously develop superior resources. We must plan to gradually establish a few decisive enterprises of high added value in hydroelectric power, non-ferrous metal, salt chemical engineering, and petrochemical fields. Tibet's economic situation will then fundamentally change. We must develop mining products, forestry products, agricultural and livestock products, building materials, and nationality handicrafts, and build these

sectors into pillar industries. We must strengthen technical restructuring of existing industrial enterprises, maintain rational production scale, and upgrade product quality and economic efficiency.

To speed up the region's economic development, we must build energy, transportation, communications, and other infrastructure projects fairly well in advance. In building energy projects, we should develop various types of energy in a mutually complementary manner with hydroelectric power as the main form; combine large and small projects; speed up construction; overcome serious power shortages as soon as possible; and provide electricity to counties with no electric power. Aside from being the region's most important energy and basic industry, the power industry should become a leading sector that is capable of bringing along and promoting the development of other industries. Fully recognizing the profound significance of oilfields in northern Tibet will surely promote and bring along Tibet's economic takeoff. Instead of passively watching on the sidelines, we should lend active support to the prospecting activities of the Geology and Mineral Resources Ministry and the China National Petroleum Corporation to expedite the prospecting and development process. In transportation, we should focus on highway construction while upholding the principle of combining repair and upgrading to ensure that major highways are open to traffic all year round and county-level highways are free of obstacles, and to increase the total length of highways open to traffic. Building railways leading into Tibet is a measure for lifting Tibet out of seclusion once and for all, and it has inestimable significance for Tibet's economic development and social progress. When permitted by its financial resources, the state will surely make a policy decision on building railways leading into Tibet. We should go around touting this cause to ensure that it will be realized at an early date. Moreover, we should do our utmost to expedite the process of feasibility studies and prospecting in connection with the construction of railways leading into Tibet, and strive to launch relevant projects at an early date. By the turn of the century, the state of communications facilities will have changed completely. By then, all counties will have had program-controlled telephone exchanges and joined the national long-distance automatic exchange network, and active efforts will have been made to develop telephone service in towns and townships. To further improve the investment environment and residents' living conditions, we should intensify efforts to transform infrastructure in cities, especially power utilities, waterworks, sewerage, roads, environmental protection installations, and greening projects.

We should vigorously develop tertiary industry. While those segments of tertiary industry geared to the living and consumption needs of residents in cities and towns are currently developing quite rapidly, those that directly serve the need to develop primary and secondary industries are not developing fast enough. We should make overall planning, give prominence to key sectors, expand their scale and scope, and upgrade them. We should vigorously develop banking, commodity distribution, communications and transportation, education, science and technology, information, and tourism. We should continue to develop freely urban and rural social service facilities that are not subject to unified state management and are closely related to people's living, and should ban the practices of implementing discriminatory policy, collecting unwarranted fees, indiscriminately setting up blockades, and cornering the market. We should increase input from various sources and speed up development in accordance with the policy of enlisting the state, collectives, and individuals.

(3) We should strengthen socialist spiritual civilization and promote overall social progress.

Socialist spiritual civilization is an important part of socialist modernization. In addition to determining society's ideological, moral, and cultural aspects, it also provides strong spiritual motivation and moral support for economic development and social stability. The entire party must attach great importance to spiritual civilization.

We should give strategic priority to developing education. Fundamentally speaking, scientific and technological progress, economic prosperity, and social development all depend on the improvement of workers' quality. We should conscientiously implement the "Program for Reforming and Developing China's Education"; promote the region's educational development; and ensure that all counties have middle schools, all townships have government-run primary schools, and the enrollment rate for school-age children will total 80 percent by the turn of the century. The purpose of education is to cultivate people and nurture tens of thousands of builders and successors to the socialist cause who have a deep love for the motherland. The Dalai and his associates have long competed with us to dominate the educational front and to win over the younger generation in Tibet. We would commit historical mistakes if we were not clear-headed and allowed separatist ideas, books, and sentiments into the classroom to blacken our younger generation and to breed successors to separatist forces in people's schools. Therefore, we must strengthen the party's leadership on the educational front, select the right leading bodies in all levels of schools, and reinforce political and ideological

work in schools on the basis of moral education. Because people's teachers are the main educational forces and industrious soul-shaping engineers, we should respect them, improve their working and living conditions, and stabilize their ranks. The broad masses of teachers should improve their ideological, political, and professional standards; demonstrate a spirit of dedication to their profession; and teach school and educate people in accordance with the educational principles of the party and state.

We must uphold the guiding ideology that science and technology constitute a primary productive force and vigorously develop science and technology. We must earnestly implement the "CPC Central Committee and State Council Decision on Accelerating the Pace of Scientific and Technological Progress," uphold the principle that economic construction must rely on science and technology, and science and technology must be oriented toward economic construction, and take additional steps to deepen the reform of the management structure of science and technology and promote scientific and technological progress. We must place the emphasis of scientific and technological work on bringing in, disseminating, developing, and utilizing practical technologies; accelerating the transformation of scientific and technological achievements into productive forces; and increasing the share of science and technology in economic growth. We must vigorously disseminate knowledge of science and technology and raise the scientific and technological standards of the people of all nationalities in the region. We must increase investment in science and technology in all areas and create a new environment conducive to scientific and technological and economic development. Our region's social science front must pay attention to integrating social science with practice, uphold a historical materialist viewpoint, and refute the Dalai clique's separatism from a historical and theoretical perspective, thereby making new contributions to stability and development.

We must vigorously develop public health and physical sports to improve the people's health. We must gradually perfect the urban and rural health care system and control or reduce the harmful effects of various infectious and endemic diseases and altitude sickness. We must attach great importance to family planning and promote better prenatal and post natal care to improve the quality of our population. We must extensively launch all kinds of mass sports activities, focusing particularly on traditional sports events, to improve the masses' physical fitness and raise the level of sports games.

Party organizations at all levels must pay special attention to ideological work and earnestly strengthen their

leadership over it. In propaganda, literature, arts, radio and television, news media, publications, and social science, the most important thing is to grasp the correct orientation, uphold the four cardinal principles, persistently oppose separatism, and uphold social progress to provide a strong ideological safeguard to reform, development, and stability. In literature and arts, we must uphold the orientation of "serving the people and socialism" and the principle of "letting a hundred flowers blossom and a hundred schools of thought contend," and develop and expand the main theme in a rich and varied way that the people can appreciate and understand to satisfy the needs of the masses' spiritual life. We must attend to the work of enlivening and managing the culture market at the same time, to ensure that it is healthy, prosperous, and orderly. We must strengthen socialist ideological and moral education and cultivate and maintain a correct outlook on life, value system, and moral concept so that we will consciously resist the ideological remnants of the feudal serfdom and the decadent and declining bourgeois lifestyle and ideological influence characterized by pleasure seeking and money worship. We must further cultivate a Marxist viewpoint toward nationalities and religion. We must commend in a big way heroic and model figures characteristic of our times and deepen the activities to learn from Comrade Kong Fansen and the "1-12" Heroic Detachment. We must bring into full play the role of trade unions, Communist Youth League, the women's federation, the All-China Federation of Industry and Commerce, the China Federation of Literary and Art Circles, the China Association for Science and Technology, and other mass organizations in building spiritual civilization. We must more broadly launch activities to build civilized units and villages (towns) through joint military and civilian efforts. We must work hard to develop a healthy and progressive social ethics.

(4) We should deepen the exposure and denunciation of the Dalai clique and earnestly safeguard Tibet's social stability.

Safeguarding stability and opposing the Dalai's attempt to divide the motherland and restore feudal serfdom is a long-term fighting task for our region's party and people. Without stability, there will be nothing.

The Dalai clique's splittist activities have been the main cause of Tibet's instability. Since the Dalai Lama betrayed and fled the country, he has become the head of a splittist group and an anticommunist and anti-Chinese tool for international hostile forces. Our struggle with the Dalai clique is a full manifestation of the class struggle in Tibet at the present stage, an extension of the struggle between splittism and antisplittism which has long existed in Tibet since the imperialists' invasion

of Tibet, and a life-and-death class struggle between the vast number of the masses and the restorationist force of the feudal serf owners. The true nature of our struggle with the Dalai clique is not an issue of whether one is religious or not religious, of whether there is autonomy or no autonomy, but an issue that is related to maintaining the motherland's unity and to opposing splittism. As this issue has to do with the Chinese nation's fundamental interests, there is no room for compromise. Not long ago, the Dalai Lama presumptuously designated "a reincarnation child of the Panchen Lama" in a foreign country in violation of religious rites and historical conventions. He tried to deceive the people and the public opinions, to deny the state sovereignty and the central government's authority, to fish for political gains for himself, and to thwart the work of the reincarnation of the Panchen Lama. This is absolutely not "a purely religious issue" as claimed by the Dalai Lama. The Dalai Lama used the occasion of the reincarnation of the Panchen Lama, a major Buddhist event, to carry out his political conspiracy of splitting the motherland. The Dalai Lama knows quite well that the authority of approving the reincarnation child of the great living Buddha has always rested with the central government. The very acts of betraying the motherland and the traditional Tibetan Buddhism and his longstanding defamation of the patriotic and religious Tenth Panchen Lama have effectively disqualified him to designate a reincarnation child for the Panchen Lama. The Dalai Lama has long betrayed the religious doctrines and disciplines of Buddhism and engaged in the reactionary political activities of splitting the country and of undermining social stability. To realize his political goals, he has now again publicly disrupted the reincarnation of the Panchen Lama, a Buddhist leader. This fully shows that he is not only reactionary politically, but also a religious renegade who degenerated into betraying Buddhism. The Dalai Lama and his fellow travelers in China must assume the crime and responsibility of undermining the work of the reincarnation of the Panchen Lama. The Dalai Lama has publicly opposed the country throughout the world, tried to internationalize the Tibet issue, begged reactionary forces in the West to help him split the country, and indulged in the pipe dream of restoring the feudal serf system. As long as he continues the motherland-splitting activities, we, because of the stance of maintaining the state's fundamental interests, will never be incompatible with him like water and fire. Publicly exposing and denouncing the Dalai Lama is the most natural and just act. All levels of party committees should have the courage and insight of leading the vast number of the party members and the masses to mercilessly expose and denounce the Dalai

Lama's conspiracy and criminal acts and help lay a solid and lasting foundation for Tibet's stability.

Political infiltration is the main means of the Dalai clique to split the country. It is necessary to carry out an extensive and in-depth education on the antisplittism struggle, to raise the awareness of defending the motherland among the people of all nationalities, and to carry out a resolute struggle against all words and deeds of selling the state interests, of undermining the motherland's dignity, of jeopardizing the state security, and of splitting the motherland. We must resolutely block and crack down on the possession, distribution, and sale of reactionary propaganda materials and mete out punishment according to the law to violators. As the work of anti-infiltration is complex, all functional departments must closely coordinate and cooperate with each other in combating the infiltration. We will provide great convenience for the normal visit of Tibetan compatriots from abroad. But there must be a strict control over splittists, so that there will be no chance at all for them to undermine the stability in Tibet.

Dalai is absolutely forbidden to use monasteries as strongholds for conducting splittist activities. A small number of monks and nuns conducted splittist activities in violation of Buddhist commandments and, thus, became the backbone of troublemakers who created disturbances. Their activities not only violated religious doctrine, but cannot be tolerated by the law of the land. It is necessary to consolidate monasteries that have repeatedly participated in splittist activities within a prescribed time limit. Should consolidation prove ineffective to any of these monasteries, they must be sternly dealt with.

It is necessary to crack down on splittist activities in accordance with the law by bringing into full play the role of organs of dictatorship to maintain social stability. We must pay close attention to the movements of splittist forces and resolutely deal a blow to splittists who have slipped into Tibet and underground reactionary organizations. It is necessary for all prefectures and counties to improve daily preventive work. We must resolutely deal with any troubles or disturbances as soon as they crop up in a decisive manner and in good time to check them in the stage of their plan and nip them in the bud. We must resolutely crack down on various criminal activities to eliminate abominable social phenomena. We must successfully implement the measures designed for management of public security in a down-to-earth manner; persist in integrating organs of dictatorship with the broad masses of the people; and conduct comprehensive management of public security to bring about its further improvement.

Paying attention to the hot-spot issues of society and solving the internal contradictions existing among the people are an important task for maintaining social stability. We must attach a high degree of importance to social contradictions caused by reform and economic life, adopt a positive policy of persuasion to solve them in a timely manner, and prevent further escalation of such contradictions so as to leave no readily exploitable loopholes to splittist forces. We must conscientiously solve problems that affect the immediate interests of the masses and, thereby, eliminate destabilizing factors by conducting solid and effective work. In short, we must maintain current stability to lay a sound foundation for long-term political stability.

(5) Promote the development of socialist democracy and strengthen the building of a socialist legal system.

Promoting development of socialist democracy and improving a socialist legal system are one of the important tasks and fundamental objectives of the reform of political system carried out by our party and the state. They are also an objective requirement and fundamental guarantee for Tibet's development and stability.

To promote development of socialist democracy and to strengthen the building of a socialist legal system, we must uphold and improve the people's congress system, and bring into full play the role and functions of people's congresses and their standing committees. Party committees at all levels must practically strengthen leadership over the work of people's congresses; support people's congresses and their standing committees to exercise their functions of legislation, supervision, and decision on important matters in accordance with the law; help deputies to people's congresses give play to their role in a better way; and practically protect the rights of the people to exercise control over state and social affairs. We must uphold and perfect the system of political consultation under the leadership of the CPC, and bring into full play the role of the CPPCC [Chinese People's Political Consultative Conference] committees in political consultation, democratic supervision, and participation in government and political affairs. We must encourage democracy, provide more opportunities for airing views, and listen to the opinions and suggestions of all circles on the work of the party and government with an open mind. The development of socialist democracy and economic construction must be standardized and protected by a perfect legal system. We must speed up the pace of legislation by closely revolving efforts around the theme of development and stability. The Constitution is a fundamental law of the state and such socialist laws as the law on autonomy for regions inhabited by minority nationalities are a

manifestation of the will of the people. They must be strictly enforced. We must practically strengthen supervision over the laws and check up on their enforcement; resolutely correct the phenomena of failure to abide by laws where they are provided, lax law enforcement, and turning a blind eye to law violations; conduct intensive propaganda of and education in the legal system to improve the ability of leading cadres at all levels to use legal means to exercise administration over economic and social affairs and to enhance all citizens' consciousness of the legal system.

(6) Strengthen the party's leadership over the united front and conscientiously do a good job in conducting the work on nationalities and religious affairs.

The fundamental tasks of the united front work in Tibet in the new stage of development are to raise high the banners of patriotism and socialism, to unite all the forces that can be united, to bring every positive factor into play, and to make joint efforts to safeguard the unification of the motherland, strengthen unity among all nationalities, and promote economic prosperity as well as social progress.

The united front work of the party sets a high demand on political qualifications and has policy as one of its main considerations. Over which issue should the party and nonparty personages be united? They should be united with regard to the party's basic line. The united front work of the party must have a clear-cut stand, a high degree of party spirit, and appropriate and well-considered working methods. We must enhance the party's cohesive power through the united front work. We should judge whether patriotic personages are worthy of their name and whether they are truly representative by their actual performances and by the fact of whether they stand on the same side of the party and people when confronting a major issue of principle and give play to their positive role at a critical moment. Only those who are able to make a clean break with the Dalai clique, take a clear-cut stand on safeguarding the unification of the motherland, and enthusiastically devote themselves to Tibet's development can become true patriotic personages. The employment of patriotic personages of various nationalities and in various circles should be arranged on the basis of the standards of their attitude toward socialism and the safeguarding of the unification of the motherland as well as their contributions to both. We must show special concern for and particularly care for those patriotic personages who have consistently adopted a patriotic and progressive stand; attach importance to discovering and bringing up a new generation of representative patriotic personages; and further improve the work on Tibetan compatriots

overseas to make the majority of them turn their hearts to the motherland.

We must correctly implement the party's nationality policy and earnestly do a good job in nationality work. The Central Committee and the State Council have consistently shown special concern to Tibet and brother provinces, regions, and municipalities and other nationalities have generously supported Tibet. There is no racial discrimination in our country and all races enjoy brotherly relations. The Tibetan people not only enjoy equality in the embrace of the motherland and the big family of the Chinese people, but are also treated with great importance and concern. We must earnestly study Comrade Deng Xiaoping's exposition: "The crucial thing is how to benefit the Tibetan people and help Tibet quickly develop and move to the forefront of China's four modernizations." We must clearly recognize that the current principal task for nationality work is to quicken nationality regions' socioeconomic development for common prosperity. National unity is the basic assurance for realizing Tibet's magnificent goals. Comrade Jiang Zemin pointed out: Following the establishment of the socialist market economic system, "the Tibetans, Hans and other nationalities are helping and depending on one another, and progressing together. The inseparable relations among them will definitely be strengthened with each passing day. This is an objective need and natural trend." Cadres at all levels must solidly establish the thought that the Han nationality is inseparable from the minority nationalities, and vice versa; consolidate the Marxist national viewpoint; and conscientiously resist the influence of parochial nationalism. We must continue to consolidate and develop the new socialist national relations. We must urge the Tibetan people to achieve modernization goals together with other nationalities.

We must comprehensively and correctly implement the party's religious policy. Respecting and protecting religious freedom has always been our party's and state's long-term and consistent policy. To implement the religious freedom policy, we must unite believers and non-believers and believers of different religions in working together for hastening Tibet's development, and safeguarding social stability. The government must, in accordance with the laws, regulations, and policies, manage and supervise religious affairs. Meanwhile, temples must conscientiously take the initiative to follow local governments' leadership. Some monks and nuns do not abide by religious and temple rules. They ignore state laws, disturb social order, and engage in splittist activities. They have not only undermined the reputation of religions and temples, but also disrupted the state's and people's production and social order. Tem-

ples must exercise effective control over their monks and assume responsibility for the society and nation. Temples should clearly check monks and nuns who violate the laws and cause trouble, as well as take strict measures to control them. We will protect normal religious activities just as in the past. We encourage monks and nuns to carry forward the patriotic spirit of the late 10th great master panchen and study religious and Buddhist doctrines to become career religious workers who are patriotic, religious, and law-abiding. Now, the phenomenon of disorderly temple construction and recruitments of lamas is rather common. The use of tremendous amounts of manpower, materials, and money have added heavy burdens for the people. We must first stop disorderly construction and recruitment and adopt essential remedial measures according to different situations. We must attach importance to the establishment of public management committees for temples and resolutely elect eminent monks who are truly patriotic and religious to lead temples and monks. Assurance for normal religious activities and mutual correspondence between religions and the socialist society can only be possible with these measures.

III. Attaching Great Importance to Party Building and Conscientiously Strengthening and Improving the Party's Leadership

(1) Strengthening the party's ideological construction and arming the entire party with the theory of building socialism with Chinese characteristics

Marxism-Leninism-Mao Zedong Thought is the theoretical basis of the CPC's guiding thoughts and the essence in which the CPC distinguishes itself from other political parties and Communists from other groups. A Communist must adopt a Marxist world outlook, uphold materialism and dialectics, and oppose idealism and metaphysics. He should also uphold proletarian outlooks on state, class, nationalities, and religion, and oppose feudal and capitalist outlooks on state, class, nationalities, and religion; otherwise, the Communist Party is not the true Communist Party and the Communist is not a true Communist.

Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics is the latest fruit of the integration of Marxism with the actual situation in contemporary China, and the features of the time; it is the continuation and development of Mao Zedong Thought and a strong ideological weapon guiding us to accomplish new historical missions. All CPC members, particularly leading cadres with party membership, should put in time and energy to learn and master this theory and use it to arm their own minds. The Third Forum on Tibet Work is an outstanding result of the

central authorities' application of this theory in guiding the work on Tibet. Presently, the study of theory of building socialism with Chinese characteristics must be closely integrated with the guidelines of the Third Forum on Tibet Work.

To study Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, we must first of all emancipate our minds and adhere to the ideological line of seeking truth from facts — what is socialism and how can we construct and develop contemporary socialism? The foreigners have not solved this problem, nor had the CPC before the Third Plenary Session of the 11th CPC Central Committee. None of our comrades should regard himself as having learned a lot, nor can he pretend that he knows the answer. The theory of building socialism with Chinese characteristics is the CPC's basic theory in the new era as well as the theoretical basis of the party's basic line. Only by mastering this basic theory can we consciously implement the party's basic line and keep pace with the progress of history in the new historical era. People are easily fettered by traditional concepts under Tibet's special geographical conditions, long-standing economic structure characterized by the supply system, and in Tibet's peculiar social and historical background. We must emancipate our minds from the past distorted and mistaken comprehensions of socialism, from the fetters of the long-standing planned economic structure, and from the spiritual state of inertia and being content with things as they are.

The party's ideological construction should stress the main points and be pertinent to the solution of ideological problems. Ideological construction must be conducted in line with the features of the time, the principal missions facing the party and people in Tibet, and the spiritual state and ideology of party organizations and members. We must strive to enhance our consciousness of following the basic line at present and for a long time to come. In politics, we should make a clear distinction between right and wrong, take a firm stand, consciously fight the splittism of the Dalai clique, and strive to maintain Tibet's social stability and safeguard the motherland's interests. In economic construction, we should continue to emancipate our minds, do away with superstitions and rigid way of thinking, and sharpen our skills for building a socialist market economy to meet the needs for the socialist modernization drive.

Ideological construction should be aimed at carrying forward the revolutionary cause and forging ahead into the future. Fine national culture, ideology, and traditions; the party's historical traditions; and the spirit of veterans in Tibet should be carried forward and be promoted for new development. A communist should

never stop at a fixed stage in history, his thinking should always go first and he should always maintain and display pioneering and creative spirit. Some comrades cannot smash the bonds of thinking and traditions which were popular in the past, and we are always puzzled by old thinking and traditions in the course of reform, opening up, and economic construction. Some people regard absurd arguments and cynical remarks heard in dark corners, and even the rumors spread by the Dalai clique for the purpose of sabotage, as people's opinions. It would be impossible to make a correct judgment on objective reality, if one treats problems in this manner. Our respect for reality is aimed at innovation and the promotion of historical development and social progress.

It is not a new or excessive demand for a communist not to have religious belief. God and Buddha worship, particularly the worship of Dalai, the chief of an anti-communist and pro-national splittist political clique, is antagonistic to the stand and world outlook of the Communist Party. Theism is not compatible with atheism, nor is idealism with materialism. A communist's religious belief cannot be covered up by nationality and history; it is a cardinal question of right and wrong, of whether to uphold or give up a communist's political stand, and of whether to hold high or lower the banner of communism.

The aim of ideological construction is to enhance the party's rallying force and fighting capacity. Having adopted the correct ideology, we should also be brave in addressing our opinions, upholding principles, and waging struggle against wrong thinking, remarks, and deeds. We should be brave in using criticism and self-criticism as a weapon to conduct a vigorous ideological struggle within the party. The CPC is the ruling party and all kinds of contradictions in society, whether they are the questions of understanding, practical struggle, right and wrong among the people, or struggle between ourselves and the enemy, are addressed within the party. Criticism is a reliable weapon to distinguish right from wrong, unify thinking, enhance unity, and solve internal contradictions within the party, as well as an important means to purify the ranks of party members. We should restore and give full play to criticism and self-criticism.

(2) Intensifying the construction of the ranks of cadres and striving to nurture and bring up a transcending contingent of cadres

The decisive factor in Tibet's tremendous achievements in socialist revolution and construction over the past decades lies in its ranks of cadres, staff, and workers, who are politically staunch and are particularly able to bear hardship and fight. From peaceful liberation and

democratic reform to date, hundreds of thousands of communists and cadres of various nationalities have selflessly dedicated their strength, youth, and health, and some comrades even their precious lives, to Tibet's stability and development. Under the party's nurturing, a large group of outstanding cadres of Tibetan nationality have shaken off the yoke of serfdom, smashed the ingrained bonds of worldly traditions, and have become proletarian vanguards and outstanding leaders leading the people forward in the socialist modernization drive.

Intensifying the construction of leading bodies and the ranks of cadres is a decisive factor for ensuring the smooth development of various causes in Tibet. We should always adhere to the principle of training a more revolutionary, younger, better-educated, and professionally more competent contingent of cadres; the principle that the Han nationality cannot do without ethnic minorities and vice versa; and the principle of selecting cadres with both ability and political integrity, with a view to building up a contingent of cadres, which is firm in political stand, familiar with their work, pioneering in the course of reform and opening up, diligent in work and serving the people, upright, and honest.

Tibet has a contingent of 60,000-plus cadres. It is a strong political force, a powerful force for construction, and an excellent contingent that can be trusted by the party and people. As the contingent of cadres continuously expanded, and after the party shifted the focus of its work, some problems cropped up in the course of practice. 1. The structure of the contingent of cadres is not entirely rational. Leading cadres who know something about science and technology, are good at administration, and meet the needs of modernization account for but a small percentage of the contingent of cadres. The structure of knowledge acquired by leading cadres does not meet the needs of undertakings which are enjoying development day by day. 2. There is a serious drain of backbone technicians as well as administrative and professional personnel. As a result, all businesses await efforts to promote their further development. More often than not, it is hard for them to accomplish something due to a lack of competent personnel. 3. The problem of impure ideology and impure organization exists. We must face up to the problem existing in the contingent of our cadres, and strengthen the building of the contingent to guarantee that various undertakings in Tibet with stability and development playing the dominant role will march onward victoriously.

First, we must persist in making the ranks of cadres more revolutionary, younger in average age, better educated, and professionally more competent. Making our

contingent of cadres more revolutionary is a fundamental requirement of prime importance. The efforts to make our cadres younger in average age, better educated, and professionally more competent will not be of any practical value until they have been made more revolutionary. The distinct mark of cadres being made more revolutionary, as determined by the actual conditions in Tibet, is that they take a firm, clear-cut stand in the struggle against splittism. Do they fight against the splittist and feudal restoration activities conducted by the Dalai clique? Do their deeds match their words? Or do they say yes and mean no? These are the most realistic criteria for finding out whether communists and cadres at all levels are revolutionary or not. It is a decisive factor in our considerations for the selection, appraisal, and appointment of cadres. Being a region inhabited by minority nationalities, Tibet must rely on the joint efforts of cadres of all nationalities to foster a correct national viewpoint and oppose narrow-minded nationalism. This is another important mark for judging whether cadres are more revolutionary. When selecting and appointing cadres, we must persist in implementing the system of conducting collective discussions and having organization and personnel departments conduct investigations. In doing so, we must be fair, honest, and upright, and must not practice favoritism.

Second, we must improve the training of the existing cadres, and particularly leading cadres at and above the county level. Party organizations at all levels must attach equal importance to the selection of cadres and their training, as well as to making use of them and educating them; continuously improve their training and education; and make vigorous efforts to improve the quality of the existing contingent of cadres. Leading cadres at all levels must study the party's basic theories, Marxist theory on nationalities, knowledge of the socialist market economy, scientific and technological knowledge, knowledge of modern management, advanced experience gained by all areas across China in implementing reform, opening up, and economic construction, and typical advanced cases in Tibet on their own initiative to continuously enhance their theoretical attainments as well as leadership.

Third, we must step up the training and selection of fine young cadres who will work into the next century. Those who possess young cadres will master the future. We must ensure that there are successors for the party's undertakings. To become prosperous and developed, we must quicken the training of qualified successors. We must be bold in placing fine young cadres in important positions to let them attain maturity in practical work, and among the people. Tibet's environment is arduous and the demand on cadres' physical quality is high.

Therefore, it is even more essential to quicken the pace of selecting younger cadres. To encourage fine young cadres to show their ability, we must select a group of middle-aged and young cadres around the age of 40 for prefectural and autonomous regional leading bodies, and a group of young people around the age of 30 for county-level leading bodies. We must maintain a rank system for leading bodies and form a reasonable age structure of cadres. Young cadres who are placed in leading positions must impose strict demands on themselves. They must not seek materialistic enjoyment or go for ostentation and extravagance, or display their wealth. They must be humble and careful. They must not consider themselves brilliant but must be humble in learning from veteran comrades and the people. We must attach importance to and strengthen the training and selection of women cadres, and continue to promote the growth of women cadres.

We must strengthen our work for veteran cadres. We should show our concern for demobilized and retired cadres in politics and life, and bring their role into effective play.

(3) Resolutely build up county-level leading bodies

Tibet is vast but sparsely populated, and differences in localities are great. Leading bodies of every prefecture and county must possess stronger capability for making decisions independently and handling practical contradictions anytime. Prefectural and county leading bodies' correct political stand, level of political ideology, and the ideology and experience in leading economic construction concern local stability and development very greatly. We must painstakingly select principal persons for prefectural and county party committees and administration. We must take correct measures on cadres who are politically unqualified and professionally incompetent, and who refuse to change their unhealthy thoughts and styles despite reminders. Prefectural and county party committees must work hard to develop themselves. The autonomous region, prefectures, and counties must build up leading bodies by implementing control over the next lower level. Cadres must be evaluated in their political achievements. We must establish the target responsibility system for cadres and improve the system of evaluation, rewards, and penalties for cadres. We should promote or reward cadres who work hard with outstanding achievements. We should demote cadres who accomplish nothing, who fall behind in their duties, and who are incompetent in their leadership. We must establish a mechanism and practice that promotes the capable and demotes the incompetent. We must uphold and continue to improve the cadre exchange system.

(4) Uphold the party's democratic centralism and safeguard the party's unity and uniformity

Democratic centralism is our party's fundamental organization and leadership system. We can bring into full play the enthusiasm and creativity of party organizations at all levels and all party members, and ensure correct party decisions and implementation only when we earnestly implement democratic centralism. We must carry forward democracy to the full, and ensure that policies are democratic and scientific. We must uphold collective leadership and bring into play the role of party committees. On the basis of bringing into full play intra-party democracy, we must uphold centralism and uniformity. We must maintain the organization principle that individuals obey organizations; the minority obey the majority; subordinates obey superiors; and the entire party obeys the Central Committee. We must establish the concept of submitting to the overall situation and that partial interests shall be subjected to overall interests. Every party member, particularly leading cadres, must consciously safeguard the authority of the Central Committee and remain unanimous in ideology, politics, and actions with the committee.

As party unity is party life, and solidarity is strength, it is necessary to improve unity within leading bodies, particularly unity among leading cadres. There should be mutual trust, support, and understanding among members of leading bodies, who should be strict in disciplining themselves and be lenient to others, learn from other's strong points to offset their weakness, and work as one to ensure results. While improving unity within the party, it is particularly necessary to voluntarily maintain national unity and solidarity between local and incoming cadres. It is wrong for the incoming and Han cadres not to rely on and respect their local counterparts if they want to perform their jobs well. It is equally wrong for local and Zang cadres not to welcome the incoming and Han cadres. Localities that fail to properly handle this relationship will definitely bungle the undertakings of both the party and the people. It is only through adherence to the principle of "people from all corners of the land are brothers," mutual unity, and sincere cooperation that we will be able to conform to the party's principles, and improve work in Tibet by bringing benefits to the Tibetan people. Our unity is established on the basis of adhering to the party's basic line and the fundamental objective of accelerating Tibet's development, as well as preserving social stability. Cadres of any nationality, in the first place, are all cadres of the party, who should forge forward hand-in-hand and struggle together for the benefit of the party.

(5) Strengthen the party's grass-roots organization to enhance its fighting power and cohesiveness

The party's grass-roots organization is the foundation of all party work and fighting power. The overwhelming majority of grass-roots party organizations in our region has been fine, with vast numbers of grass-roots cadres and members working quietly for the party and the people under difficult conditions and a complex environment, paying little attention to compensation and their own safety. They have succeeded in bringing out the party organization's role as a fighting bastion and the Communists' role as an exemplary vanguard. In the meantime, we should also be able to see the many weak points among grass-roots organizations and identify problems requiring immediate solution. Some grass-roots organizations are weak; while a small number of village organizations have been paralyzed or semi-paralyzed, with some of them even being contained by religious forces. Some party members, who have been inactive in party life for a long time, are found frequently associating themselves with religious activities instead, resulting in serious ideological degeneration. A small number of cadres, who lack both dedication and a sense of responsibility, have been timidly immersing themselves in their own business. Party members in agricultural and pastoral areas are relatively old and have no successors in sight. We must realize the importance and difficulties of carrying out grass-roots work in Tibet. On the one hand, the Dalai clique's splittist activities have been spreading in the agricultural and pastoral areas, using various means to deceive and win over the masses. On the other hand, the task of accelerating economic development in these areas, to such an extent that the majority of peasants and herdsmen will be able to achieve a fairly comfortable life by the end of the century, has been extremely arduous. There is a pressing need to enhance the fighting power of grass-roots organizations.

The construction of grass-roots organizations should focus on villages and towns. Based on the criteria of the "five goods," grass-roots organizations should be built in such a way as to conscientiously implement the party's line, principles, and policies as well as decisions of the higher levels; to clearly oppose splittism; to preserve social stability; and to turn itself into a unified fighting collective capable of leading the masses to shake off poverty. Efforts should be made to arrange a good leading body for grass-roots organizations, paying special attention to selecting a capable grass-roots party organization secretary and branch secretary. Weak and slack grass-roots organizations should be reorganized — either in batches or individually — within three years. It is necessary to step up the party member-

ship drive, striving to realize the goal of having party members in each and every village within three years. Importance should be attached to developing members among descendants of emancipated serfs and middle-aged and young peasants and herdsmen with considerable scientific and cultural knowledge. Except for areas with an exceptionally small population, party committees and party branches should be formed in each and every village and administrative village, respectively. We should build stronger organizations of the masses and militia and security forces in rural and pastoral areas. We must uphold the system of sending office cadres to work in grass-roots units and temper regional, prefectural, and municipal cadres by sending them to work in county and township offices. We should support the training of grass-roots cadres so that we can gradually heighten their political awareness, make them more educated and knowledgeable in science, and enable them to be more capable of guiding the masses in shaking off poverty and becoming comparatively well off. We should care for and cherish grass-roots cadres, and strive to improve their working and living conditions. To safeguard the successes achieved in democratic reform, we must firmly crack down on the criminal acts of hurting grass-roots cadres, or taking reprisals against them in an attempt to settle old scores. For those grass-roots cadres who have stepped down after serving the party for a long time, we should care for them politically and follow through with the measures of attending to their lives and pensions. Party organizations of official organs, institutions, businesses, and schools must also build up their grass-roots organizations.

The key to building stronger grass-roots organizations lies in county party committees. County party committees, which have direct ties with grass-roots organizations, must give priority to strengthening grass-roots organizations, take up this responsibility, and make sure this assignment is a success. Leading organs of party organizations must firmly bear in mind the need for building stronger grass-roots units and follow through with all the relevant measures. One important yardstick for assessing leading organs' performance is to see how well they improve grass-roots organizations.

(6) Improve party conduct, intensify ethical construction, and forge closer party-people ties

As a ruling party, the conduct of its members has a close bearing on its survival, and party conduct and ethical construction have a close bearing on the success or failure of reform, opening up, and modernization. This being the case, we must be determined to make a success of the endeavor of improving party conduct and ethical construction.

We must uphold the ideological line of seeking truth from facts. When we consider an issue and handle a project, we must proceed from practical needs and conduct ourselves properly as party members. Currently, there is considerable improper thinking and misconduct among party members. Regional organizations, in particular, still perform unrealistically and conduct themselves subjectively and dogmatically. Communists should seek facts, speak honestly, and uphold truth. What we think and what we do should be the same no matter who we approach, or no matter whether they are our superiors or our subordinates. We must go against the conduct of the double-dealers who think in one way but behave in another, or who comply in public but oppose in private. The two great changes in our party's history were both directed at dealing with ideological problems and upholding the right ideas and conduct. Today when we are shouldering a great historical mission, we must firmly combat ideological and political improprieties so as to ensure and improve our party's fighting capability.

Currently we must consider improving party conduct and promoting ethical construction as an important mission to accomplish. Decadent bourgeois ideas and behaviors which have wormed their way into the country, and which have spread by taking advantage of opportunities created by reform, opening up and the development of the market economy, have had a powerful impact on the ranks of party members and cadres. Some people have succumbed to these ideas and they have dropped out from the ranks and cannot extricate themselves from the trap they have fallen into. We must admit that there are indeed some party members and cadres who, despite the Central Committee's repeated instructions and the Central Discipline Inspection Commission's prohibitions, have taken bribes, bent the law, sought windfall profits, degenerated, and become lawless criminals. Some whose misdeeds have been exposed are being punished, but some have not yet had their lawless acts investigated. Their abominable deeds have seriously damaged the party's reputation, tarnished the party's image among the masses, and undermined the party's coherence and fighting power. We must tighten the enforcement of party discipline, firmly remove all degenerates, and make earnest efforts to stop corruption. We must firmly eliminate the improprieties of trading authority for money, using authority for personal interests, or spending public funds on lavish banquets, pleasure seeking, and gambling. To improve the ethic system, all party committees and discipline inspection and supervisory departments must dare to strictly enforce disciplinary rules. We must make it a regular practice to sum up and promote advanced experiences in promoting ethical party conduct, and commend those

who have performed remarkably well in upholding party ethics so that a good atmosphere can prevail. Leading party organizations and cadres at all levels, especially party cadres at secondary and high echelons, must take the lead in combating corruption, promoting ethical conduct, following through with all regulations governing ethics, and fight corruption.

Communist Party members, especially those in leading positions, must follow the example set by Comrade Kong Fansen, bear firmly in mind the party's motto of serving the people wholeheartedly, and maintain close ties with the people. Party members must hold themselves responsible to the people, seek benefits for the vast number of people, and lead the vast number of people in overcoming poverty and backwardness.

All leading cadres of the party must demonstrate higher enterprising spirit and heighten their sense of responsibility. Leading comrades of the Central Committee stated at the third forum on Tibetan affairs that the Tibetan Regional Party Committee and the regional government should discuss and answer the question of "what Tibet should do when the whole nation is supporting Tibet." We people throughout Tibet must be able to provide the Central Committee and the whole nation with the best answer. We must not be content with the status quo, and we must seize the day and the hour. In the final analysis, we must count on our own efforts to achieve Tibet's development. We cannot wait for the Central Committee and our fraternal provinces and municipalities to give us a comparatively comfortable life, nor can we expect the separatist forces to vanish by themselves. When we do our work, all Communist Party members and cadres of all nationalities in Tibet must exert genuine efforts in following through with the decisions made by the Central Committee and the regional party committee. Leading cadres must take the lead in going deep into the realities of life, and work doubly hard with the masses in grass-roots units so that we can reciprocate the party and the people through outstanding achievements.

Comrades, accelerating Tibet's development, safeguarding social stability, and achieving the magnificent goals by the end of this century are extremely formidable but glorious assignments confronting us. We must rally closely around the Central Committee with Comrade Jiang Zemin as the core, work enthusiastically with high morale, and rally and lead people of all nationalities in Tibet to head for building a socially stable and economically prosperous Tibet by 2000 in which people of all nationalities living in unity will be able to enjoy an affluent life. During the last five years of the 20th century, let us write a magnificent chapter about people living on the Roof of the World marching toward modernization.

Congress Resolution

OW2708141195 *Lhasa XIZANG RIBAO in Chinese*
3 Aug 95 p 1

["Resolution of the Fifth Tibetan Regional CPC Congress on the Work Report Delivered by the Fourth Tibetan Regional CPC Committee (adopted on 2 August 1995)"]

[FBIS Translated Text] The Fifth CPC Congress of the Autonomous Region of Tibet unanimously passed the report delivered by Comrade Chen Kuiyuan on behalf of the Fourth CPC Committee of the Autonomous Region of Tibet. The Congress expressed satisfaction with the work of the Fourth CPC Committee of the Autonomous Region of Tibet.

The congress held that after the fourth party congress of the Autonomous Region of Tibet, the regional party committee, under the guidance of Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics, continued to follow the party's basic line, conscientiously carried out the strategic plan of the Central Committee and the spirit of the third Tibetan work forum, united and led the party membership and the people of all nationalities according to the guideline of "one center, two major tasks, and three guarantees" to work hard with one heart and one mind, to win new victories in reform, opening, and modernization, and to consolidate and develop the political situation of stability and unity. The congress endorsed the general appraisal of the report on the work of the Fourth CPC Committee of the Autonomous Region of Tibet: The past five years represented a period of continuously unifying and setting alright people's thinking and working hard in solidarity; a period of further emancipating people's minds and developing productive forces, thus recording the fastest economic growth and bringing the greatest benefits to the people; a period of holding high the banner of carrying out struggle against split and keeping the social situation basically stable; and a period of uniting the whole party to struggle and continuously advancing party building and strengthening the leading role of the party at the core.

The congress held: The guidelines, objectives, policies, and measures set forth for the work in the next five years in the report are correct; and are in keeping with the real conditions of Tibet. The congress agreed with the policy decision and arrangements for speeding up development and maintaining stability. The congress unanimously agreed that it is necessary to further reform, expand opening, and advance the socialist market economic structure; to quicken the development of resources, optimize the industrial structure, and

increase the strength and vigor of the local economy; to advance the socialist spiritual civilization and promote social progress in all aspects; to further deeply expose and criticize the Dalai Clique and effectively maintain Tibet's social stability; to develop socialist democracy and the socialist legal system, strengthen the party's leadership over the united front, and conscientiously and properly handle nationality and religious affairs. The congress held that the fulfillment of all the tasks set forth in the report will certainly give a great impetus to economic development and comprehensive social progress in this region, and will lay a solid foundation for ensuring the continuous improvement of the people's living standards and guaranteeing Tibet's peace and stability over a long time.

The congress pointed out: The key to the realization of the grand objective in this region by the end of this century lies in attaching great importance to party building and effectively strengthening and improving the party's leadership. The minds of the entire party membership must be armed with Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics; the leading bodies must be further consolidated, and a cadre contingent with both political integrity and work ability should be formed and developed; the system of democratic centralism must be maintained, and the party's solidarity and unity must be safeguarded; party organizations at the grass-roots level must be consolidated, and the party's fighting capacity and rallying force must be increased; further efforts should be made to improve the party style, to keep the party incorruptible, and to keep close ties between the party and the people.

The congress called on party organizations at all levels, party members, and people of all nationalities in all circles in this region to more closely rally around the party central leadership with Comrade Jiang Zemin as the core, and continue to thoroughly carry out the spirit of the third Tibetan work forum, emancipate people's minds, raise people's morale, grasp the opportunities, strive to create prosperity and achieve the grand objectives of this region by the end of this century under the leadership of the Fifth CPC Committee of the Autonomous Region of Tibet.

Ismael Amat Speaks at Anniversary Symposium

OW2508170195 *Beijing XINHUA in English*
1432 GMT 25 Aug 95

[FBIS Transcribed Text] Beijing, August 25 (XINHUA) — A symposium was held today at the Great Hall of the People here to commemorate the 30th anniversary of the establishment of the Tibet Autonomous Region.

The symposium, attended by over 100 people from all walks of life, was sponsored by the United Front Work Department of the Central Committee of the Communist Party of China, the Nationalities Committee of the National People's Congress, the State Nationalities Affairs Commission (SNAC), and the Subcommittee on Nationalities of the Chinese People's Political Consultative Conference (CPPCC).

"Great changes have taken place in Tibet over the past 30 years," said Ismail Amat, minister of the SNAC.

Amat, who is also a State Councillor, said that the number of ethnic Tibetans in the Tibet Autonomous Region had jumped to over 2.09 million by 1991 from less than one million in 1951, accounting for 94.46 percent of the region's population.

Tibet today enjoys economic growth and social stability, and is full of vigor and dynamism, Amat said, adding that specially favorable policies offered to the region by the central government over the past 30 years, such as over 20 billion yuan in investments, subsidies and funds for special purposes, are a vital factor behind the development and advancement of Tibet.

Ngapoi Ngawang Jigme, vice-chairman of the CPPCC, said that the great achievements the autonomous region has scored over the past 30 years have proved that the regional autonomy of ethnic groups reflects the central government's determination to stick to the principle of equality, unity, mutual help and common prosperity among different nationalities.

The overall interests of the state, the common interests of all nationalities and the local special interests of the autonomous regions must be integrated under the precondition of safeguarding national unity and union among all nationalities, the vice-chairman said.

North Region

Beijing's 'Good' Economic Momentum Viewed

HK2908082995 Beijing RENMIN RIBAO in Chinese
22 Jul 95 p 1

[Report by reporter Yan Shigui (7346 0013 6311): "Beijing Maintains Good Economic Momentum in First Half of This Year, Wei Jianxing Stresses Need To Set Right Construction Direction To Develop Capital's Economy Still Better"]

[FBIS Translated Text] Beijing, 20 Jul (RENMIN RIBAO) — In the first half of this year, Beijing Municipality maintained the good development momentum of its national economy. According to the latest statistics by the municipal statistical bureau, the gross domestic product grew by 12.5 percent over the same period last

year; price controls yielded positive results, with the rise of retail prices dropping by 4.6 percentage points over the same period last year; the volume of retail sales grew by 25.6 percent; export trade was up by 35.9 percent; and local financial revenue increased by 49.8 percent, calculated in terms of comparable items. The total output of summer crops topped 1 billion kg, an increase of 3.5 percent over last year. In terms of major economic development indicators, Beijing has finished half of its tasks for this year.

At a meeting to report work for the first half of this year held by the municipal government several days ago, Wei Jianxing, member of the CPC Central Committee Political Bureau and secretary of the Beijing Municipal CPC Committee, made a speech in which he stressed: In line with the spirit of central instructions, we should focus on economic construction, concentrate our forces to develop the economy, and promote social progress in a comprehensive way. He said: Some people have a misunderstanding, holding that as Beijing is a political center and its principal task is services, it is unnecessary to take economic construction as the focus. The actual situation is that only by developing the economy can it have the necessary conditions and foundation to do a good job in services. There are also people who are worried that the occurrence in Beijing of such major incidents as the Wang Baosen case inevitably will have an adverse impact on the economy. We should indeed intensify the anticorruption struggle, but it should focus at all times on economic construction, and be subordinate to and serve this target. The problem of Beijing Municipality now is one of how to set right the guiding ideology in keeping with the spirit of the central instructions, and to develop the economy still better, rather than one of whether or not it is necessary to develop the economy.

According to briefings, in line with the spirit of the central instructions, in defining its future economic and social development goals, Beijing Municipality has conspicuously stressed the need to set right the construction direction in the capital. In its construction and development, Beijing should always maintain and constantly strengthen its status as a political and cultural center. It should further define the targets of its service, and make conscientious efforts to do a good job in serving the normal operations of top party, government, and Army organs, as well as the increasingly expanding international exchanges; the educational, scientific and technological, and cultural development of the state; and the work and livelihood of residents. Concern should be shown for the livelihood of low-income residents. In future economic construction, it is not advisable to launch many new projects, nor should we engage

any longer in those industries the cost of which is high consumption and severe pollution. Instead, we should base ourselves on the reform, reorganization, and transformation of existing enterprises; raise their technical level; and improve their economic results. It is necessary to implement the strategy of invigorating the nation through science and education, and to fully rely on and use Beijing's advantages in science and technology. Great efforts should be made to enable the building of spiritual civilization, democracy, and legal system for the capital to stand in the forefront of the nation.

Beijing Municipal Meeting Issues Work Report
SK2908235195 Beijing BEIJING RIBAO in Chinese
31 Jul 95 p 1

[Report by Bai Jiliang (4101 4949 5328): "Beijing Witnesses a Healthy and Stable Development in Industry in the First Half of This Year"]

[FBIS Translated Text] Days ago, at the municipal industry work meeting convened by the municipal government, this reporter was informed that the municipal industry departments had accelerated the restructuring of industry and had witnessed a healthy and stable development of the industrial economy of the entire municipality by strengthening the guidance and coordination of industrial production. Attending the meeting were Ouyang Wenan, Standing Committee member of the municipal government; Li Runwu, vice mayor of Beijing; and comrades in charge from the municipal economic committee, industrial corporations, and districts and counties.

In the first half of this year, the millions of staff members and workers in industrial enterprises worked hard together, overcoming the difficulties of price increases in raw materials and energy as well as a shortage of enterprise funds. Fairly great results were achieved.

First, industrial output grew in a stable manner, and the link between production and marketing was conspicuously improved. The glaring example was that state-owned large and medium enterprises maintained a fairly high speed of development. The industrial output value of the entire municipality totalled 67.17 billion yuan, increasing 14 percent as compared to the corresponding period last year. The production of state-owned enterprises developed in a stable manner, and its speed was higher than those of the corresponding periods of the recent two years. The production and marketing rate of the industries of the entire municipality totalled 95.5 percent. It was 6 percent higher than that of the corresponding period last year, and was also higher than the average level of the entire country. Goods in stock

decreased. The funds of local budgetary enterprises tied up in stocked goods was 4.9 billion yuan at the end of June, a decrease of 5 percent. The efficiency of state-owned enterprises in Beijing saw an upturn, and the losses decreased with each passing month. In comparing the 10 major economic indexes of Beijing, Tianjin, and Shanghai, Beijing did the best in six indexes—namely, total industrial output, value-added tax, profits achieved, stocks of finished products, decreases in losses incurred by enterprises, and profit-tax-rate of sales.

Second, the quality of products improved in a stable manner. In the first half of this year, the quality improvement rate of 389 kinds of products from key industries, on which the municipality made particular inspections, totalled 93.9 percent. Products whose quality meets established standards totalled 89.5 percent.

Third, fairly great headway was made in industrial output, and the product mix was gradually optimized. The entire municipality supplied 10.032 billion yuan worth of goods for export from January to June, an increase of 37.8 percent as compared with the corresponding period last year. Among the products exported by enterprises, 40 percent were technology-funded-intensive, 15 percent higher than the same proportion in the exported products of the entire municipality.

Fourth, large scale projects using foreign funds increased, and their management situation was good. In the first half of this year, industrial departments newly approved 35 joint venture enterprises. The total negotiated amount of funds reached \$280 million, and foreign funds totalled \$176 million. The average fund for each project was \$8 million, an increase of 1.7 times when compared with the corresponding period last year. Projects which were co-funded with the multinational companies of Europe, the United States, and Japan accounted for 51 percent.

Fifth, new headway was made in restructuring, thereby enhancing the reorganization of the existing funds and optimizing the allocation. In accordance with the requirements of the overall development plan for the country's capital, the municipality stipulated a comprehensive restructuring plan for Beijing's industry that conformed to the development direction of Beijing's industry. All corporations stipulated the restructuring plans for their own trade. In the first half of the year, 31 enterprises were merged.

In addition, fairly great headway was made in such tasks as technological progress, enterprise reform and management, energy supply, transportation, integration of urban and rural areas, and war production

Of course, there are still some problems and insufficiencies in the work of industrial enterprises. For example, the economic efficiency and loss situation should not be ignored. The circulation funds of most enterprises are still short. The burden of loans on enterprises is too heavy, and the proportion of assets and liabilities is on the high side. The supporting measures for reform still need to be deepened. In light of these issues, the executive deputy director of the municipal economic committee arranged in his work report the work required for the next half of this year, urging industrial departments throughout the entire municipality to further uplift spirits, pay substantial attention, and work hard to comprehensively fulfill the fighting goals and tasks for this year.

Vice Mayor Li Runwu made a speech at the meeting.

Hebei's Secretary, Governor Stress Reform
 SK2908124195 Shijiazhuang HEBEI RIBAO
 in Chinese 29 Jul 95 p 1

[Report by Du Yinghua (2629 5391 5478) and Wang Shouben (3769 1343 2609): "Affirm Confidence, Deepen Reform, and Make Great Efforts To Invigorate State-Owned Enterprises"]

[FBIS Translated Text] How to deepen reform and invigorate state-owned enterprises, large and medium enterprises in particular, was the major topic for discussion at the provincial forum on deepening enterprise reform held in Beidaihe on 28 July.

Attending the forum were Cheng Weigao, secretary of the provincial party committee; Ye Liansong, governor of the province; Zhao Shiju, Standing Committee member of the provincial party committee; and Guo Shichang, vice governor of the province.

The forum's participants maintained: State-owned enterprises play a leading role in developing the province's national economy and are the key to invigorating Hebei's economy and to building Hebei into an economically-strong province. According to the statistics compiled at the end of last year, there were a total of 4,297 state-owned industrial enterprises in the province, 777 of which were large and medium in size, respectively accounting for 18.3 percent and 3.5 percent of all industrial enterprises at or above the township level that exercise independent accounting. Meanwhile, the net value of fixed assets, the number of workers and staff, and the generated profits and taxes of state-owned industrial enterprises respectively accounted for 72.7 percent, 58.4 percent, and 65.1 percent of the figures of all industrial enterprises exercising independent accounting. Hence, having grasped state-owned enterprises means having grasped

predominance; invigorating state-owned enterprises, large and medium enterprises in particular, is the key to maintaining the province's social stability, to effecting a steady and sound development of the economy, and to improving economic efficiency. For the time being, state-owned enterprises are confronted with many difficulties and heavy burdens. Some deep-rooted contradictions need to be resolved through in-depth reform.

Cheng Weigao and Ye Liansong delivered speeches at the forum.

Cheng Weigao stated: The speeches made by Comrade Jiang Zemin at the forums on enterprise reform convened in Shanghai and Changchun are very important. We should conscientiously organize the study of these speeches to unify our ideas and enhance our understanding in accelerating enterprise reform. We should carry out experiments for this reform in a down-to-earth manner. There are two key points for the experiment: one is standardization, the other is simultaneous progress. We should make major progress in organizing enterprise groups. The key to pushing forward enterprise reform lies in reducing the debts and burdens of enterprises with a view to enabling them to enter the economic battle with a light pack. We should study the good experiences of all locations in the country and vigorously explore the methods for reducing the burdens and debts of enterprises and for optimizing their asset structure. We should accelerate the change of the operational mechanisms of enterprises; should firmly and unswervingly spread the shareholding cooperative system; and should strengthen action in the fields of "closing, suspending, merging, transferring, leasing, and selling small enterprises as well as in declaring the bankruptcy of small enterprises." We should pay attention to subsidiary reforms, establish committees for management of state-owned assets, and establish the management system of cadres for enterprises. Unemployment insurance and reemployment projects should be pushed forward with a major step. Attention should be paid to internal reform and the management of enterprises. Having only clarified property rights without a deepening of internal reform, enterprises cannot be invigorated. We should accelerate the building of the ranks of entrepreneurs, and should choose and commend some state-owned enterprises that have set an example in halting deficits and increasing profits as well as in invigorating themselves again.

Ye Liansong pointed out in his speech: The reform of state-owned enterprises is the focus of this year's reform. Practice proves the possibility of invigorating state-owned enterprises. We should have determination and confidence in it. When viewed from the province's

situation, the reform of the operational mechanism of state-owned enterprises is being accelerated, and the vitality of such enterprises continues to be enhanced. Major problems facing the province's state-owned enterprises are inflexible operational mechanisms, overly heavy debts, grave deficits, and excessive financial burdens in supporting social undertakings.

Ye Liansong stated: Invigorating state-owned enterprises, large and medium enterprises in particular, is not only a major economic issue bearing on the development of the entire national economy, but also a major political issue bearing on the destiny of the socialist system. Enterprise reform should be grasped realistically and persistently. Experimental enterprises should focus on changing operational mechanisms. The emphasis of enterprise reform should be placed on implementing the "two laws" and two "regulations"; on making inventories and checks of assets and capital of enterprises; on experimenting with the shareholding system; on strengthening enterprise management; and on deepening the reform of employment, personnel, and income distribution systems. Major supporting measures are to change government functions; establish new relations between the government and enterprises; reduce burdens on enterprises; resolve the problem that enterprises have to bear the burden in supporting social undertakings; carry out reemployment projects; and accelerate the building of intermediate professional organizations.

Hebei Holds 'Overseas Propaganda' Work Forum

SK2808150695 Shijiazhuang HEBEI RIBAO
in Chinese 29 Jul 95 p 1

[Report by Zhao Fayong (6392 4099 8673) and Wang Yong (3769 0516): "Overseas Propaganda Should Be Closely Linked to Economic Work"]

[FBIS Translated Text] The provincial overseas propaganda work forum was held in Zhangjiakou city from 25 to 27 July. Attending were deputy directors in charge of overseas propaganda of city and prefectural propaganda departments and persons in charge of overseas propaganda bureaus (offices). They conscientiously studied the "outline for the study of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics," and then concentrated on the discussion on how to enhance the propaganda on the economy. Chen Yujie, deputy secretary of the provincial party committee, addressed the forum, emphasizing the need to firmly focus on economic construction and to promote Hebei's overseas propaganda to a new height.

Chen Yujie said: In the overseas propaganda work, Hebei should further clarify the purpose of local overseas propaganda work, fully understand the importance

and urgency of the work to enhance propaganda on economic construction, and comprehensively implement the central principles for overseas propaganda work. A success in overseas propaganda is a need in the major trend in international development, a need in the adherence to the party's basic line, and also a need in promoting economic construction and implementing the strategy of developing the province with science, technology, and education and building an economically strong province. This urgently requires that the overseas propaganda work focus on enhancing the publicity to the economy, reform, and opening up and play a leading role through the media in promoting Hebei's reform and opening up in both range and quality.

Chen Yujie emphasized that the overseas propaganda work should be closely linked to economic work and should serve economic construction, reform, and opening up in an all-round manner. She said: In conducting overseas propaganda, we should first extensively publicize Hebei's economic development strategy and the Ninth Five-Year Plan for economic and social development, which is being drawn up; add impetus to the propaganda; and build up strong public opinion for wholehearted devotion to construction. Second, we should include overseas propaganda in the overall work of opening to the outside world and integrate overseas propaganda with the work related to foreign economic relations, foreign trade, foreign capital, and foreign-funded enterprises. Meanwhile, we should organize overseas propaganda in a planned and orderly manner, build up a strong momentum in public opinion and an atmosphere, create great influence, and gain large benefits. In addition, to achieve success in overseas propaganda, we should also mobilize all forces that can be mobilized to contribute their efforts to publicizing Hebei's economic construction, reform, and opening up. She urged overseas propaganda departments to take the initiative in enhancing ties with the work offices stationed in foreign countries and the departments in charge of them, provide them products and materials for publicity, and publicize Hebei directly to foreign countries through them.

In conclusion, Chen Yujie pointed out: Overseas propaganda departments at all levels should make overall plans, exert vigorous efforts to make Hebei prosperous, clarify the general ideas and overall arrangements, make continuous efforts to standardize the overseas propaganda work and make it more scientific, further upgrade its quality, consolidate the existing overseas propaganda fronts, and strive to open up new channels. Party committees at all levels should strengthen leadership over overseas propaganda; truly build a compact, efficient, disciplined, and honest overseas propaganda contingent; and strive to publicize Hebei to the world,

to make the world understand Hebei, to promote the linkage of Hebei's economy to the world economy, and to build an economically strong province.

Tianjin Creates Intermediate People's Courts

*SK2908091595 Tianjin People's Radio in Mandarin
2300 GMT 28 Aug 95*

[FBIS Translated Text] On the morning of 28 August, the 18th meeting of the 12th municipal people's congress Standing Committee discussed and approved the four decisions on establishing the first and second intermediate people's courts in the municipality.

Beginning on 31 December 1995, the municipality will establish the first and second municipal people's courts as well as dismantle the municipal intermediate people's court. It will also establish the people's court in the Tianjin Economic and Technological Development Zone, which can exercise the functions and power of district-level courts.

Beginning on 31 December 1995, the municipality will establish the first and second municipal people's procuratorial branches as well as dismantle the municipal people's procuratorial branch. It will also establish the people's procuratorate in the Tianjin Economic and Technological Development Zone, which will be regarded as an agency of the municipal people's procuratorate and which can exercise the functions and power of district-level procuratorates.

As was learned, these decisions have been made in order to further meet the needs of the socialist market economic system; to further meet the needs for conducting reform and opening up, for achieving development, and for maintaining stability; to further improve the municipal systems of people's courts and the systems of people's procuratorates; and to further enhance the construction of a socialist democracy and legal system.

Fujian, Taiwan Intensify Economic Cooperation

OW3008084195 Beijing XINHUA in English
0738 GMT 30 Aug 95

[FBIS Transcribed Text] Fuzhou, August 30 (XINHUA) — East China's Fujian Province, ancestral home of 82.5 percent of the people living in Taiwan, has intensified economic and trade co-operation with the island province over the past few years.

Statistics show that the number of Taiwan compatriots, who had visited the province by the end of 1994 was 1.77 million — over 25 percent of the total who visited the mainland in the same period.

The number of ships from Taiwan that have called at Fujian ports has reached 52,418. About 15,000 Taiwan residents live in Fujian, among whom are 216 students studying at local colleges and universities.

The number of Fujian people who have visited Taiwan is 10,900, and 2,000 have settled down there.

Fujian also provides above 60 percent of necessary daily consumption goods of Jinmen [Qemoy] and Mazu islands, under the control of Taiwan. Now the province is well prepared for early direct exchanges of mail, trade, and air and shipping services with the two islands, according to official sources.

Fujian and Taiwan have formed a complementary economic and trade cooperation network, Zhang Jiakun, deputy governor of Fujian, said.

By the end of 1994 the number of approved Taiwan-funded joint ventures in Fujian amounted to 3,569, with a total contractual value of 4.98 billion US dollars, among which 2,661 have already started business.

In 121 of the joint ventures Taiwan investors have put more than 10 million US dollars each.

Fujian's trade volume with Taiwan has been increasing over the past few years. In 1994 the volume was 2.39 billion US dollars- worth, up 17.5 percent from 1993. During the first half of this year the figure was 1.06 billion US dollars-worth, an increase of 17.6 percent over the same period of last year.

Fujian's surplus labor has also made up for the labor shortage in Taiwan. Many Taiwan-funded joint ventures are labor-intensive enterprises.

By the end of 1994 Fujian had signed 8,869 fishing labor contracts with Taiwan involving a total of 56,300 mainland fishermen.

Fujian has also exploited its advantages in science and technology to attract more Taiwan investment in the electronics and other hi-tech industries.

The Hsinchu Hi-Tech Park in Taiwan has signed contracts with the Xiamen Torch Hi-Tech Park to co-operate in the building of the Xiamen Hsinchu Hi-Tech Park.

Now many sectors have been transferred from Taiwan to Fujian, including shoemaking, textiles, electronics, petrochemicals and clothing.

Taiwan Business people have invested more than one billion US dollars in Fujian's agriculture, accounting for 60 percent of the province's total foreign funds in that sector.

Fujian will continue its support for closer relations across the Taiwan Straits, Zhang told visiting Taiwan business people.

On behalf of the provincial government, Zhang said that Fujian will, as always, warmly welcome Taiwanese business people who come to invest in the province and will accelerate development of two-way economic and trade co-operation.

Article Defends UN Resolution 2758

OW3008063495 Beijing ZHONGGUO XINWEN SHE
in Chinese 0921 GMT 16 Aug 95

[By Shen Li (3947 0500): "Forum on Cross-Strait Relations: There is No Denying the Fairness of UN Resolution 2758 — on Li Denghui's Attempt to Openly Buy Principle"]

[FBIS Translated Text] Beijing, 16 Aug (ZHONGGUO XINWEN SHE) — Since his return from the U.S., Li Denghui [Li Teng-hui] has found it difficult to free himself from the temptation to inflate his own ego, prompting him to do all kinds of things and forget who he is. The most notable thing he has done is to make not the slightest change to his bid to "join the United Nations" and to openly create "two Chinas" or "one China, one Taiwan". He even unscrupulously offered \$1 billion for a UN membership ticket. Such a blatant attempt by buy principle with money is rarely seen in the current international political arena. It really shocked people around the world!

Of all politicians on Taiwan, Li Denghui is known as the most insincere and untrustworthy. As he is this way himself, he regards all UN member countries, especially the large number of developing countries, as willing to ignore international credibility and reputation, ignore international justice, and only see the U.S. dollars in his hands. This action by him was an insult to all UN member countries, to the large number of developing countries, and to the UN Charter.

In order to brazenly create "two Chinas," Li Denghui ordered the Taiwan authorities to attack UN Resolution 2758, and to advocate the argument that it is "a product of the Cold War," saying it is "outdated". This action is completely driven by an ulterior motive and it confuses right and wrong. People with even some historical knowledge know very clearly that some Western countries headed by the United States, proceeding from their Cold War strategy, imposed blockade and containment on the newly-founded PRC, and did everything they could to stop the United Nations from resolving the issue of China's representation at the UN, resulting in China's legitimate seat at the United Nations being illegally occupied by the Taiwan authorities for 22 years. UN Resolution 2758 only served to straighten out a historical fact that had been distorted artificially. It not only straightened out the historical fact, but at the same time smashed the so-called "double representation" motion cooked up by the then U.S. Government and Taiwan authorities, a plot to create "two Chinas" or "one China, one Taiwan" at the United Nations. The resolution truthfully reflected China's political situation since 1949; and impartially and thoroughly solved the issue of China's representation in the United Nations, politically, legally, and procedurally. In this sense, the resolution fought the trend of the Cold War, and its fairness is not to be denied.

From the aforementioned, it is not difficult for people to see that the resolution was not "a product of the Cold War". It correctly reflected the just voice of the large number of UN member countries, especially Third World countries, who wanted to abide by the spirit of the UN Charter and oppose the interference of foreign forces in China's internal affairs. Adoption of the resolution was a victory for the spirit of the UN Charter, to the principle of international law, and to every Chinese who harbors ardent love for the motherland and opposes foreign interference in China's internal affairs.

Over the last few years, Li Denghui, under the pretext of "expanding Taiwan's international living space," has stepped up his efforts to practice "pragmatic diplomacy," "money diplomacy," "vacation diplomacy," "transit diplomacy," "celebration diplomacy," "alumnus diplomacy," and other related diplomacies. Since 1993, he has considered "joining the United Nations" the top objective of his "diplomatic work," and has gone for it clearly knowing that the objective cannot be achieved. Attempting to achieve his purpose, Li Denghui personally went to some countries to publicize "The Republic of China [ROC] on Taiwan" and his assertion that "the two sides of the Taiwan Strait are divided countries," in an attempt to gain Taiwan the status of an "independent

and sovereign country". Li Denghui's recent U.S. visit was an attempt to present Taiwan as a sovereign country to the international community. Li Denghui has openly claimed that "one China no longer exists," and that there exist "two countries and two governments"; and he has dreamed of "joining the United Nations in the name of the Republic of China." What Li Denghui has done shows that he has abandoned the "one China" principle and exposes his sinister plot to split Taiwan from the motherland's domain. This runs counter to Taiwan compatriots' fundamental interests and to their call for the maintenance of political stability on the island, for the development of cross-strait relations, for the promotion of economic development, and for raising of people's living standards. Taiwan compatriots sooner or later will see Li Denghui's plot.

The "Cairo Declaration," the "Potsdam Proclamation," and other international documents explicitly proclaim that Taiwan is a part of China. UN Resolution 2758 of 1971 not only had great and far-reaching influence at the time, but also has important practical significance today, more than 20 years later, because it recognizes the PRC Government as the sole legitimate government of China and recognizes that Taiwan is an inseparable part of Chinese territory. These propositions have also been recognized by the international community. This is an unsurmountable obstacle to Li Denghui and his like in their vain attempt to create "two Chinas" or "one China, one Taiwan". Li Denghui's desperate attack on UN Resolution 2758 convincingly proves, in another respect, that the impartiality of the resolution is undeniable.

The campaign Li Denghui has directed for "Taiwan to join the United Nations" consists of two parts: First, he uses money as a bait to buy what he wants; second, he cooks up a specious "theory" to confuse the public, to deceive the international community and the people of Taiwan, regarding them as playthings to be toyed with. His tricks and moves may deceive people for a short time, but sooner or later people will see through them. All in all, Li Denghui's insistence on split and confrontation is definitely not good news for Taiwan compatriots. On the issue of Taiwan's "international living space," Jiang Zemin, General Secretary of the CPC Central Committee and president of China, made it very clear in his important speech delivered on the eve of this year's Spring Festival, that Taiwan has a very broad international space for developing economic and cultural exchanges with foreign countries. But what Li Denghui wants is "international living space" that alienates Taiwan from China. And this can only push Taiwan into a hopeless situation. The Chinese people, as well as peace-loving people the world over, will

not allow this to happen. As to the solution to the issue of Taiwan's "international living space," President Jiang clearly pointed out in his speech the course needed: "Only after peaceful reunification is realized can Taiwan compatriots, together with people of all nationalities of the country, truly and fully enjoy the great motherland's international dignity and honor." I believe that the vast number of Taiwan compatriots can completely understand this, and I look forward to someday exposing the plot and designs of Li Denghui and his like and to seeing through to their true faces, so that all of us together can oppose Li Denghui's act to split the motherland.

Li Called 'Imperial Subject,' Position Viewed

OW2908120395 Beijing XINHUA Domestic Service
in Chinese 0839 GMT 28 Aug 95

[FBIS Translated Text] Beijing, 28 Aug (XINHUA) — This year's issue No. 35 of the weekly LIAOWANG, published today, carries an article entitled "Why Did Li Denghui [Li Teng-hui] Remain Silent When the Anniversary of the War of Resistance Against Japan [World War II] Was Marked?" The article attacks Li Denghui's mentality of being an "imperial subject," as well as his words and conduct of splitting the motherland.

The article says: Li Denghui, who used to be eager to express his political views in the limelight, was "surprisingly silent" when Taiwan marked the 50th anniversary of the victory of the War of Resistance Against Japan. People neither heard him say anything nor saw him attend any commemorative activities pertaining to the event. Someone in Taiwan's journalistic circles asked: Why did we not hear anything from Li Denghui when we marked the "7th July" incident and the "15 August" victory of the war of resistance?

Why did Li Denghui act so differently by remaining silent on such important occasions? The article recalls the farce which a handful of "Taiwan independence" advocates staged when the centennial of the signing of the "Shimonoseki Treaty" [ceding Taiwan to Japan] was marked last April. The article says: To express its attachment to Japan's colonial rule, this motley force launched a "mammoth parade to say goodbye to China," in which it flagrantly raised the banner of splitting the motherland. It even formed a "Group of 100" to make a pilgrimage to Japan to "commemorate Japan's access to Taiwan." Not only did Li Denghui approach these "Taiwan independence" advocates' acts of national betrayal with a laissez-faire attitude, but he also stated that, because of the "Shimonoseki Treaty," the Taiwanese people could not help feeling sad and angry at being abandoned by the mainland, even though

their hearts were attached to it." By saying this, Li Denghui seemed to say that the "Taiwan independence" advocates' acts were nothing but an expression of "feeling sad and angry at being abandoned," and that their quest for "Taiwan independence" was justified.

The article maintains that, as far as Li Denghui is concerned, neither his silence over the victory of the war of resistance, nor his defense of the "Taiwan independence" advocates' national betrayal was accidental. They betrayed his deep-rooted mentality of being an "imperial subject."

The article notes: Li Denghui was born at the latter part of Japan's colonial rule in Taiwan. In his own words, he was "a Japanese until he was 22." After the "7th July" incident, Japanese troops launched an all-out aggression against China, and Taiwan fell into a state of becoming a bastion for Japan to carry out its policy of invading China and thrusting southward. To rule Taiwan effectively and ensure its aggression and expansion needs, the Japanese invaders, while imposing even heavier taxes on the Taiwanese people and exploiting them ruthlessly on the one hand, did everything possible on the other to enslave them politically, mentally, and culturally through energetically educating them to become "imperial subjects" in an attempt to make them to become obedient subjects of the Japanese militarists. It appears that Li Denghui was one of the few who loyally accepted this education. Some people once assessed Li Denghui, saying that his Japanese is more proficient than his Chinese, and his Japanese mentality is stronger than his Chinese mentality. Li Denghui himself also admitted that he "had only Japanese education," and that his "wife's proficiency in domestic science" could be attributed to "Japanese education." One factor that should not be ignored is that his father was a policeman when Taiwan was under Japanese occupation, and being one who received high pay for assisting the Japanese colonialists' in ruling the Taiwanese people, his family was of course better off than the majority of Taiwanese people subjected to Japan's colonial oppression. No wonder he is attached to Japan so much so that his "understanding" of Japan's colonial rule in Taiwan is different from that of the ordinary Chinese.

The article says: During the protracted 50-year period from Japan's forceful occupation of Taiwan in 1895 to Taiwan's return to China in 1945, the Taiwanese people suffered immensely from the Japanese colonialists' dark rule and went through physical and mental torture for a long time. This tragic history is reflected in the works of many Taiwanese writers, and is still deeply engraved in the minds of many Taiwanese people. However, in his talks with Japanese writer Ryotaro Shiba, Li Denghui confessed: "During the colonial era,

the Japanese left behind a lot of things. While criticizing, we must assess the situation from a scientific viewpoint, otherwise we cannot understand history." That gave away the secret in mind. In his view, the assistance his father rendered to the Japanese in ruling the Taiwanese people was sensible, whereas the heroic sacrifices of the 650,000 Taiwanese countrymen who died opposing Japan's colonial rule and for Taiwan's return were not sensible. How can people expect one who has this state of mind to sincerely commemorate the victory of the war of resistance?

The article says: There is one other reason Li Denghui could not say why he remained silent when the victory

of the war of resistance was commemorated: he was thinking about how he could realize his dream of visiting Japan. Two days before the "7th July" incident was commemorated, an official of Taiwan's "Ministry of Foreign Affairs" stated that, even if the likelihood of Li Denghui's visit to Japan was "zero percent," Taiwan would exert its utmost effort "to rally support from Japan's nongovernmental sectors" so that Li Denghui can visit Japan. At a time when Li Denghui could not wait to curry favor with Japan's anti-China forces, how could he do anything for the commemoration of the victory of the war of resistance?

Beijing Official on Cooperation To Tap Spratlys
OW3008021595 Taipei CNA in English
0122 GMT 30 Aug 95

[By Debbie Kuo]

[FBIS Transcribed Text] Taipei, Aug. 29 (CNA) — Taiwan and Mainland China will collaborate on oil and gas exploration in the South China Sea, an executive of Beijing's China National Offshore Oil Corporation (CNOOC) said here Tuesday.

CNOOC Vice President Chen Bingqian, who is here to participate in the first cross-Taiwan Strait petroleum technology seminar, said the collaboration is "feasible immediately," and a formal technical agreement is expected to be signed between the two sides within a year.

A confident Chen said that Mainland China and Taiwan should join hands "like a family" in tapping resources in the South China Sea, where no problems such as the "sovereignty" issue will bother either side.

To kick off the Taiwan-Mainland China collaboration in petroleum exploration, Chen said, a project tapping crude oil and natural gas will begin shortly offshore of Pearl River (Zhujiang) of coastal Guangdong (Guangdong) Province. The project will be a joint venture between CNOOC and Taiwan's Chinese Petroleum Corp. (CPC).

Mainland China successfully tapped 6 million metric tons of crude oil/natural gas compound offshore of Zhujiang last year, according to Chen. Owing to the expertise and experience of the CNOOC and the CPC in various fields, tapping in the Zhujiang area promises to turn out quite fruitful as well, he said.

For the cooperative project, a new joint-venture company will be established by CPC's wholly-owned affiliate, Overseas Petroleum & Investment Corp. (OPIC), and a CNOOC offshoot firm, Chen said. OPIC and the CNOOC offshoot will each hold 50 percent stakes in the joint operation, he added.

Official Views PRC-Japanese Fighter Encounter
OW2908124395 Taipei LIEN-HO PAO in Chinese
25 Aug 95 p 3

[By reporter Lu Te-yun (4151 1795 0336)]

[FBIS Translated Text] Taipei — An official of the Ministry of National Defense (MND) pointed out that the Chinese communists might have wanted to show Japan their military might when their Sukhoi-27 fighter planes approached and confronted Japanese fighter planes in the air space near the Tiaoyutai islands [Senkaku is-

lands]. The Chinese communists' fighters planes had never flown this far in the past, he said.

The MND official declined to comment on the Chinese communist plan to stage a military exercise in the Nansha islands [Spratlys].

The official said: The Chinese communists may be displeased with Japan's strong protest against their recent underground nuclear tests. This, plus the likelihood that President Li Teng-hui may visit Japan, might have prompted the Chinese communists to warn Japan by sending their fighter planes to the Tiaoyutai islands. This was quite unusual, he said.

It is reported that supersonic F-5 Phantom jet fighters and reconnaissance planes, and remodeled electronic intelligence gathering planes of Japan's Self-Defense Forces are stationed on Ishigaki island, the main island of Japan's Yaeyama island group, which is very close to eastern Taiwan. There is a precedent of "encounters" between Japanese fighters and airplanes of our Air Force when cruising eastward.

An "encounter" usually means an interception launched by Japanese fighters when our planes approached or "unintentionally" entered Japan's air identification zone. Since Japanese pilots could not communicate with Chinese pilots in Japanese, they usually used English to ask our planes to leave, and our planes would immediately return to our own air identification zone. The two sides never had any clashes. Similarly, it is also not unusual for Japanese planes to enter our air identification zone by mistake.

Minister Denies Warplanes Flew Over Matsu
OW3008104395 Taipei CNA in English
0938 GMT 30 Aug 95

[By Sofia Wu]

[FBIS Transcribed Text] Taipei, Aug. 30 (CNA) — National Defense Minister Chiang Chung-ling Wednesday denied that Mainland Chinese warplanes flew over Taiwan's defense outposts of Matsu and Tungyin islands during recent mainland military exercises in the East China Sea.

Chiang was commenting on press reports saying several mainland military planes flew over Matsu and Tungyin, both of which are closer to the Mainland Chinese coast than to Taiwan, during the People's Liberation Army's (PLA) Aug. 15-23 exercises.

"The reports are not true," Chiang said, adding "our radar system is highly advanced and can detect any invading warplanes."

Chiang said the Defense Ministry may arrange a visit to the two defense outposts by local reporters in the near future. "I believe such a visit will help local journalists better understand our defense capabilities," he noted.

"Unless a plane flies at a very low altitude, it cannot escape our monitoring system," Chiang stressed.

Asked whether military authorities have intelligence about the PLA's next round of military exercises, Chiang refused to answer, claiming that such information is secret.

He further said he has not heard of any plans for a large-scale ROC [Republic of China] military exercise after the planned Huahsing maneuvers scheduled for early October.

The PLA has conducted two rounds of military exercises in the East China Sea just north of Taiwan since late July with an apparent aim to intimidate Taiwan and force it to drop its diplomatic offensive to upgrade its international profile.

Hsiao Calls For Resumption of Mainland Talks

OW3008022995 Taipei CNA in English
0149 GMT 30 Aug 95

[By Benjamin Yeh]

[FBIS Transcribed Text] Taipei, Aug. 29 (CNA) — A high-ranking mainland affairs official on Tuesday urged the Beijing regime to face the historical reality of a split China, and to resume holding private negotiations between the two sides.

"It is an undeniable fact that China is split and ruled by two separate governments for now," Hsiao Wan-chang, chairman of the Mainland Affairs Council (MAC), said in a speech at the opening of the national management conference.

Overlooking this fact and dwarfing the ROC [Republic of China] Government to the local level can by no means be accepted by the 21 million people in Taiwan, Hsiao said. "This is also the single largest barrier to the national unification of China."

He pointed out two other factors as the major barriers in the way of a unified China — the mainland's refusal to renounce the use of force against Taiwan, and its sustained suppression of Taiwan in the international community.

Hsiao pointed out that Beijing's repeated threats have only invited the repugnance of the Taiwan residents and seriously harmed bilateral ties between the two sides.

Hsiao said Taiwan's efforts to win greater international recognition, in tandem with its growing economic clout,

have been unfairly interpreted by Beijing as steps to push for independence.

He termed the mainland's tactics as a deliberate distortion of facts, saying they will further cast a gloom over the rocky ties across the Taiwan Strait.

First Beijing unilaterally suspended the high-level private talks with Taipei slated for July following ROC President Li Teng-hui's landmark visit to the U.S. Then the communist Chinese military staged two rounds of guided missile tests in the waters just north of Taiwan.

Meanwhile, Hsiao said he believes the Taiwan artifacts exhibition slated for Beijing from Sept. 16-21 will be held as scheduled, even though Li Ching-ping, deputy secretary-general of the Straits Exchange Foundation (SEF), will probably be denied an entry visa. The SEF is an intermediary body formed by Taiwan to handle private exchanges with the mainland in the absence of official contact.

Li told the press Monday that he plans to lead a 30-member delegation to the exhibition, but that the SEF's mainland counterpart, the Association for Relations Across the Taiwan Strait (ARATS), gave the cold shoulder to Li Tuesday.

When asked to comment on the planned Beijing trip, an ARATS official said that under the circumstances, it is not appropriate for Li to visit the mainland at the moment.

The exhibition will display 120 pieces of Taiwan art, worth NT\$1.5 billion, and will be the biggest Taiwan art show in Mainland China ever.

SEF Head Urges Both Sides To Open Discussions

OW2908123395 Taipei CNA in English
1015 GMT 29 Aug 95

[By Lillian Wu]

[FBIS Transcribed Text] Taipei, Aug. 29 (CNA) — The head of Taiwan's Straits Exchange Foundation (SEF) said Tuesday that both sides of the Taiwan Strait should put aside political differences and open discussions on issues of mutual concern.

C.F. Ku, SEF chairman and a business heavyweight, suggested the talks focus on Taiwan investment protection on the mainland, agricultural exchanges, transportation, and Hong Kong.

SEF was scheduled to hold another round of talks with its mainland counterpart, the Association for Relations Across the Taiwan Strait (ARATS), in July, but the meeting was suspended by Beijing after President Li

Teng-hui made an ground breaking trip to the United States in June.

When asked whether Mainland China's vehement attack on President Li at the time when Li announced his intention to run as a KMT candidate in the March 1996 presidential election will shut the door on cross-strait talks, Ku said that the opening of talks will depend on the timing and conditions.

Ku said Taiwan hopes its investors will be protected in the mainland while Beijing hopes more Taiwan businessmen will invest there. He added that discussion of cross-strait investment would be a good starting point for renewing the talks.

Ku said that the two sides of the Taiwan Strait have in the past had a tacit understanding that Taipei and Beijing may differ politically, but both sides could tentatively put aside their differences over political issues and address issues of mutual concern.

On Beijing's vehement attack on President Li, accusing Li [words indistinct] Taiwan independence [words indistinct] that Taiwan cannot bow to Beijing's pressure in selecting a presidential candidate.

He made the remarks while inspecting the operations of the SEF Tuesday.

Both SEF and ARATS are intermediary bodies set up to handle civilian exchanges by their respective governments in the absence of official contacts.

Cross-Strait Stalemate Partly 'Intentional'
OW3008004395 Taipei LIEN-HO PAO in Chinese
23 Aug 95 p 4

[FBIS Translated Text] Premier Lien Chan pointed out yesterday that there have been more setbacks in recent cross-strait exchanges. The Chinese Communists' have launched continuous and fierce criticisms of Kuomintang [KMT] Chairman Li Teng-hui as well as intensive military exercises and have postponed the Second Ku-Wang talks. These have been both intentional and due to misunderstandings. This was the first time Lien Chan pointed out that the cross-strait stalemate was caused in part intentionally by the Chinese Communists since the situation reached a deadlock.

Lien Chan made these remarks when delivering an administrative report at the second plenary session of the 14th Kuomintang [KMT] Congress yesterday.

In the report, Lien Chan addressed the issues of national defense, foreign affairs, and cross-strait relations. The report focused on recent cross-strait tension resulting from the promotion of pragmatic diplomacy, national defense countermeasures, and criticisms and expecta-

tions of the Chinese Communists. Lien Chan's report on these three issues has drawn close attention from the public.

Lien Chan first emphasized: To safeguard national security and dignity, we mainly rely on strengthened national defense and pragmatic diplomacy. Moreover, benign cross-strait relations are an important basis for national unification. We must give consideration to these three issues.

He added: The defense and counterattack abilities of our air force, navy, and army cannot be challenged easily and are sufficient to safeguard the security and stability of our state and people. We can rely on the morale and quality of our troops.

He also expressed regret over the Chinese Communists' continued unfriendly behavior and expressed the hope that the Chinese Communist authorities could open up their minds and return to the normal state of exchange and consultation soon, so as to contribute to reciprocal, win-win relations and peaceful unification.

Lien Chan also discussed the recent financial scandals and taxi violence, which have resulted in social instability. He said: The recent major fraud cases of Changhua City Fourth Credit Cooperative Bank and the International Bills Finance Corporation have created disturbances, showing that the financial organizations did not exercise strict management. Aside from the fact that the government has taken vigorous and urgent measures to calm the disturbances, it has investigated and affixed responsibility for the scandals and has held discussion to revise laws and regulations and to perfect financial checks and the function of handling emergencies.

Lien Chan also emphasized that the government would step up eliminating corruption and bribery-taking as well as cracking down on drugs and gangsters. With the taxi violence incident in mind, Lien Chan especially emphasized that all disorderly behavior would be punished, in order to ensure that the public enjoy a peaceful life fully protected by the law.

Lien Chan added: It is necessary to adjust the role of government. The whole administrative staff must establish a correct concept of modern government and discard the dated mentality that "the state is omnipotent" and the mentality that "the government is a protector" [pao mu cheng fu 0202 3018 2398 1650]. In the future, the government should try its best to allow the private sector to handle most issues, except for those that are not suitable to be handled by the people or that the people are unable or unwilling to handle.

Li Teng-hui Calls For Reforms, Economic Growth
OW2908124195 Taipei CNA in English
0952 GMT 29 Aug 95

[By Sofia Wu]

[FBIS Transcribed Text] Taipei, Aug. 29 (CNA) — President Li Teng-hui Tuesday urged all government employees to jointly promote forward-looking administrative reforms and create a brave new trade and economic regime to upgrade Taiwan's competitiveness and sustain its economic growth.

Speaking at the opening session of the second national management conference, Li said at a time when local enterprises are taking bold steps toward globalization, all government agencies cannot and should not continue to stick to obsolete practices and regulations.

"We should update our trade and economic system with vision and innovative concepts to catch up with general world trends and maintain our market niches," Li said.

Noting that economic cooperation has replaced ideological confrontation as the mainstream tendency in international relations following the end of the Cold War, Li said world trade and investment activities will enter a new era of fair competition in the years ahead.

In light of this general world trend, Li said, Taiwan should overhaul its economic structure, update its legal system, accelerate corporate streamlining and improve administrative efficiency to survive mounting competition in the world market.

Despite its limited space and scant natural resources, Li said, Taiwan has managed to develop a solid industrial base and accumulate the world's second largest foreign exchange reserves over the past few decades.

"Taiwan is now the world's 14th largest trading nation and 12th largest capital supplier," Li noted, adding Taiwan has played the role of a provider of capital and expertise as well as a disseminator of developmental experience in the current wave of Asia-Pacific economic development.

In addition, Li said, Taiwan has carried out a series of democratic reforms in recent years, winning much acclaim from the world society.

"All these economic and political achievements are the most important assets of all the 21 million local people," Li said, adding all such achievements are also the result of their concerted efforts over past years.

"We must uphold this can-do spirit and continue our fight to realize our goal of developing a great Taiwan and building a New China," the president said.

Stressing that economic liberalization and internationalization are a necessity for Taiwan, Li said the blueprint for developing Taiwan into an Asia-Pacific regional operations center unveiled early this year has been based on these two ultimate principles.

"The ambitious plan is designed to create an open, fair market mechanism to meet public demand," Li said, adding the regional business hub development plan not only aims to lure more multinational conglomerates to invest in Taiwan but also to offer more opportunities for local enterprises to form joint-venture partnerships or strategic alliances with foreign counterparts to tap the dynamic Asia-Pacific market.

Cross-Strait Petroleum Technology Seminar Opens
OW2908135895 Taipei CNA in English
0845 GMT 29 Aug 95

[By Danielle Yang]

[FBIS Transcribed Text] Taipei, Aug. 29 (CNA) — The first cross-Taiwan Strait petroleum technology seminar opened in Taipei Tuesday with more than 200 oil experts from Taiwan and Mainland China participating.

Mainland China was represented by 28 oil experts from China National Overseas Oil Co., China National Petroleum Co. and China Petrochemical Co.

The seminar will help boost cross-Taiwan Strait oil cooperation, including joint research and joint exploitation, chairman Chang Tzu-yuan of Taiwan's Chinese Petroleum Corp. said at the opening ceremony Tuesday.

Chang also noted that cross-Taiwan Strait oil cooperation could be expanded from sea cooperation to assistance on land to increase the number of cooperative items.

The participants will be divided into three groups during the seminar to discuss joint exploitation, refining, and research and development.

A total of 40 reports will be presented Tuesday afternoon with each side contributing 20 reports.

Economic, Trade Delegation Leaves for Mainland
OW2908124595 Taipei Voice of Free China
in English 0200 GMT 28 Aug 95

[FBIS Transcribed Text] An economic and trade delegation left for Mainland China on Saturday [26 August], despite soured cross-strait political relations. The 11-member delegation included officials from the Economic Affairs Ministry Board of Foreign Trade, the Industrial Development and Investment Center, and the

Investment Commission, as well as executives from the private sector.

The delegation is due to visit Hsian [Xian], Chungking [Chongqing], Chengtu [Chengdu], and Wuhan, and hold meetings with Taiwan investors there. Some 25,000 Taiwan-financed enterprises capitalized at between \$10 billion and \$20 billion already operate in Mainland China. In the first six months of this year, the Investment Commission approved 271 investment projects worth \$587.3 million in Mainland China alone, a 35-percent increase from the same period last year. Taiwan's indirect trade with China rose 39.7 percent in the first five months of 1995 to \$8.7 billion.

Lien Chan Meets Former Russian Official

OW3008022395 Taipei CNA in English
0128 GMT 30 Aug 95

[By Flor Wang]

[FBIS Transcribed Text] Taipei, Aug. 29 (CNA) — Premier Lien Chan said on Tuesday that Taiwan is very willing to develop trade and cultural exchanges with Russia.

Lien made the remarks during a meeting with Yegor Gaydar, a former Acting Prime Minister of the Russian Federation.

In addition to hailing Gaydar as an outstanding economist and political leader, Lien expressed the hope that Gaydar's visit to Taiwan would substantially boost bilateral understanding. Lien also called for enhanced cooperation between the two countries in high-tech industry.

"We sincerely expect to build full-scale economic and cultural relations with Russia in the current post-Cold War era, given the complementary nature of the two economies," Lien said.

On relations between Taiwan and Mainland China, Lien told the Russian visitor that the ROC Government has always advocated friendly exchanges between the two sides, which he said is the best way to bring about eventual national reunification.

"But before the Communist Chinese renounce the use of military force against Taiwan, it is necessary for us to build a strong, efficient national defense," Lien noted.

Echoing Lien's view, Gaydar expressed the hope that Russia could learn from Taiwan's experience in development, and praised Taiwan's remarkable economic and political achievements.

Gaydar, who has served as both finance minister and the first vice prime minister of the Russian Federation, came to Taiwan to attend the four-day international

conference on consolidating the third wave democracies, which is being sponsored by the Institute for National Policy Research of Taipei and the National Endowment for Democracy of Washington, D.C.

***Foreign Minister Considers Early Retirement**

95CM0373A Taipei HSIN HSIN WEN [THE JOURNALIST] in Chinese 15 Jul 95 No 435, p 143

[Article by Huang Kuang-ch'in (7806 0342 5367) and Liang Chih-cheng (2733 5267 2973): "Ch'ien Fu (6929 1788): 'I Am Not At All Unhappy Or Dissatisfied'"]

[FBIS Translated Text] Just when President Li Teng-hui is visiting the United States, Lien Chan is visiting Europe, and Taiwan's pragmatic diplomacy is showing some results, Foreign Minister Ch'ien Fu says that he is considering leaving public service to become an ordinary citizen. This is no ordinary news. Why does Ch'ien Fu say this? What is he thinking? The following are excerpts of an interview with Ch'ien by correspondents of this publication.

HSIN HSIN WEN Several days ago you said publicly that you are thinking about leaving public service. What is the background to this decision?

Ch'ien I cannot say in good conscience that I want to continue to serve. So long as no one asked me, this issue never came up, but when someone asked me, I replied honestly. I never turned in a resignation. I was abroad and about to make a speech when a reporter gave me a newspaper clipping to read. It said that the cabinet was about to be reorganized, and that the Ministry of Foreign Affairs would bear the brunt. He asked me what comment I had. I said, if I am let go, I will be very happy.

Why am I thinking of leaving? I explained this very clearly at a press conference on 23 June. Although I have been the head of a ministry for many years, I have always understood very well how public opinion tends to be. Many people suppose that heads of government ministries move around from one position to another, and I feel it is reasonable for the public to think this way. I have served in government for 36 years, 23 years as a high ranking government official in charge of administrative affairs. This is really a very long time. If being an official is a privilege, I should not be the only one to enjoy it. If it is a duty, then I should not be the only one to bear it. I believe that the public sees it as having many privileges. So I am willing to give up this privilege. I want to become a private citizen. Without a public position, I would at least be a citizen of this country. I can never have my citizenship revoked. I have no other citizenship, nor do I have any other residence

rights. I definitely want to be a private citizen. I certainly want to retain my position as a private citizen. This is my wish. I have nothing else in mind. The public is fed up. It's always the same bunch playing musical chairs. Every time the cabinet is reorganized, look at what the editorials say. I cannot say anything more.

HSIN HSIN WEN Is there any other reason why you are thinking of leaving public service now?

Ch'ien No. To tell the truth, my colleagues in the Ministry of Foreign Affairs, and my associates in foreign embassies all treat me too well. My superiors do too. They all indulge me, giving me a free hand to do as I please. I am not at all unhappy or dissatisfied. I have one reason for wanting to leave public service and that is that people in public service today are subject to many restraints. There is much they might like to say that they cannot say. If they do not hold a position, they can speak more readily. This is as much as I can say. I do not care to say more.

HSIN HSIN WEN Some people say that in the next cabinet reorganization, you are a prime candidate to become prime minister...

Ch'ien Nothing more can be said about this. Given today's political realities, had I any such illusions, that would simply mean that I lacked much understanding of the political relationships here. I hope that you understand what I am trying to say.

HSIN HSIN WEN Do you feel that over the past five years, there has been any difference in the role of the Minister of Foreign Affairs in the foreign policy decision making process? Particularly in the environment in which the present Prime Minister, Lien Chan, and Ting Mou-shih, the secretary general of the National Security Bureau [NSB], were formerly ministers of foreign affairs, and President Li himself personally directs foreign affairs.

Ch'ien Virtually no difference. Of course, the role that the Executive Yuan played five years ago was very different than what it is today. At that time, the president of the Executive Yuan, Mr. Hao [Po-ts'un] had very little time to devote to foreign affairs, so he had me go directly to President Li on many reports and requests for instructions. Later when Lien Chan became president of the Executive Yuan, since he had served as Minister of Foreign Affairs, reports and requests for instructions went through him directly to President Li for advice. However, on major diplomatic matters the president often solicits the views the officers in charge and listens to reports from the Minister of Foreign Affairs. This is the case more than ten times a year, which is frequently. Real foreign affairs issues are still decided by us here.

My ideas are not very different from those of the president of the Executive Yuan, the secretary general of the NSB, and the president.

*Poll on Performance of Lien Chan Cabinet

95CM0378A Taipei TZULI WANPAO in Chinese
5 Jul 95 p 3

Article: "Li Teng-hui, the Principal Leader of Taiwan's Future: Seven Policy Indexes Examine Lien Chan Cabinet's Political Achievements. Analysis by TZULI WANBAO's Poll Investigative Team"]

[FBIS Translated Excerpt] [passage omitted] Investigative results by this paper of a poll concerning the Lien Chan cabinet's overall administrative performance shows that, in the past half year, the Lien Chan cabinet's overall administrative performance is just on the edge of passing (60.6 percent approval); at the same time, nearly one out of every four people interviewed expressed dissatisfaction with the cabinet's overall performance in the past half year (23.7 percent). Detailed analysis found that the highest rate of dissatisfaction was among those who were in the 30 to 39 year old age group (28.5 percent); this was also the group with lowest rate of approval (56.1 percent). The higher the educational level is, the greater the degree of dissatisfaction. This was especially the case among those surveyed whose educational level was above professional training, where one out of three surveyed were dissatisfied (31.1 percent); other groups expressing high rates of dissatisfaction among those interviewed were those who associated themselves with Minchin Tang (39.4 percent) or the Hsin Tang (46.8 percent) or were native Taiwanese (24.5 percent). [passage omitted]

Comparing the overall cabinet's barely passing grade, the approval rate for Executive Yuan President Lien Chan's personal administrative performance held steady at 6.6 out of 10 (66.3 percent). If we refer back to the director's more than 70 percent approval rate prior to his European visit, then his reputation has begun to fall. [passage omitted]

The Executive Yuan President raised his individual administrative direction and focus in 1994, including such things as an honest and clean image, a booming economic plan, administrative reform, etc. Added to this are the social welfare measures the Lien Chan cabinet focused on during the first half of this year; that is, implementation of the universal health care system, the Asian Operation Center plan, and finally the conduct of an anti-drug campaign and the rapid inflation during the first half of year. Taken together, these seven indexes of policy criteria compose the basis for evaluation of the Lien Chan cabinet's administrative achievements.

As far as the government's clean and honest image is concerned, a report in Britain's *Economist* magazine pointed out that among Asia's four mini-dragons, Taiwan has the most serious corruption situation. Following up on this, the survey found that more than half of those interviewed (55.9 percent) agreed with this statement.

Considering director Lien Chan's plan for economic prosperity through spurring people's desire to invest, more than half of those surveyed (52.6 percent) thought the economy was sluggish in the first half of this year.

Regarding the question of the efficiency of administrative reform, the survey showed 44.9 percent satisfied and 35.9 percent dissatisfied; the ratio of approval and disapproval is close.

Concerning implementation of a universal health care system, 58.4 percent expressed strong dissatisfaction.

As for the steadily rising cost of living, the survey showed that 45.9 percent were satisfied with the government's efforts to keep the cost of living stable, while 42.0 percent were dissatisfied.

Also, there was a large majority approving the government's anti-drug enforcement achievements (75.3 percent approval).

As for the government's plan to push the Asian Operations Center, over one-half of the people thought that Taiwan could become the operations center for the Asian region, while 22.3 percent think it is impossible for Taiwan to become the operations center of Asia.

Combining the above focal points of the Lien Chan cabinet administration in the first half year, except for the relative consensus approval of its anti-drug enforcement achievements, other administration efforts, including the government's clean and honest image, its administrative reforms, the universal health care system, stabilization of the cost of living, and even the economic growth of which Taiwanese are so proud, all received some degree of both negative and positive reactions from the Taiwanese people.

Those who are likely to express both approving and disapproving evaluations of the Lien Chan cabinet are those with a higher level of education, of middle age, or those who tend to support the Minchi Tang or the Hsin Tang.

Although its anti-drug enforcement was rated as the best performance achievement of the Lien Chan cabinet, the individual performance of Minister of Justice Ma Ying-jeou [7456 5391 0046] ranked well in front of the others among the 16 ministers. So it looks as if the high rating was for Ma Ying-jeou personally rather than for the Lien Chan cabinet.

Also, a statistic deserving a high degree of attention concerns leadership during the past half year on such important issues as foreign relations (52.8 percent approval), cross-strait relations (43.9 percent) and military defense (36.7 percent). In these areas, more than one-half or one-third of the people surveyed were of the opinion that it was President Li rather than Premier Lien Chan providing the leadership on those important matters. [passage omitted]

Looking at the above investigative discoveries, we see that virtually one out of every two people interviewed (47.7 percent) consider Lien Chan to be not very successful as Executive Yuan President. In addition, as many as 72.7 percent of those surveyed thought the cooperation between Premier Lien Chan and President Li was fairly harmonious. This investigative result would seem to highlight the Lien Chan cabinet's weak position in the current system.

As for the subject of many rumors in society about the "Li-Lien Pairing", the survey found that 58.9 percent of those interviewed are in favor of President Li pairing with Premier Lien, with the two running together for president and vice president next year. [passage omitted]

***Viewpoints, Interpretations of Events Criticized**

95CM0373B Taipei HSIN HSIN WEN [THE JOURNALIST] in Chinese
No. 345, 15 Jul 95 pp 46-47

[Article by Chi Yen-ling (4764 1693 7117): "No Inquiry Into the Facts and No Effort To Determine the Real Situation. Politicians Become Prisoners of a Viewpoint"]

[FBIS Translated Text] Beginning with Li Teng-hui's visit to the United States and until the recent tension in relations between both sides of the Taiwan Strait, Taiwan has been in a turmoil. Both in collecting news and the interpreting news, "facts and rumors are presented together, and real situations and preposterous theories exist at the same time."

In theory, a news item can have only one factual basis, but because of the different points of view of the "news decoders," not only are different methods used to interpret the news, but the results of the interpretation are also clearly different.

Two facts are presented as examples:

No matter how viewed, Li Teng-hui's visit to the United States was a major diplomatic breakthrough for the Republic of China or Taiwan. Even the Democratic Progressive Party [DPP] and the New Party [NP] had to acknowledge this fact.

However, anti-Li diehards like Chiang Wei-kuo interpreted this fact in the following way: Li Teng-hui is simply returning to his alma mater to take part in an anniversary. This is not a diplomatic matter, but rather that his alma mater also happens to be in the United States. Therefore, this has nothing to do with "relations with the United States," "diplomacy," or a "breakthrough."

In his speech at Cornell University, he referred more than 10 times to the "Republic of China." The frequency of use of this term during his term as president is an "audible fact."

Also, Li Teng-hui's action in taking a Republic of China flag from the hand of an overseas Chinese at Ithaca airport and waving it is also a "visible fact."

However, anti-Li persons in Taiwan interpreted these two facts in the following way: That was Li Teng-hui play acting. In his bones, he is still for Taiwan independence. These two examples show that interpreting the news according to a point of view is definitely different from the facts. Moreover, this method of interpretation that subordinates the facts to a viewpoint are bound to turn the "facts" into a sacrifice to the ferocious tiger's mouth of a "viewpoint."

Take current relations between the two sides of the strait as another example.

After the news of the China mainland recent military exercise in the Taiwan Strait was reported by the domestic and foreign media, all the politicians in Taiwan, both in the opposition and in power, vied with each other to be "decoders of the news."

Those opposed to Li Teng-hui's pragmatic diplomacy interpreted the China mainland exercise as Li Teng-hui's having gone too far with pragmatic diplomacy, thereby forcing the China mainland to use a military exercise to express their intense dissatisfaction.

These people even went so far as to interpret this exercise as: "This is an omen of war."

However, those who support Li's pragmatic diplomacy feel this is only a routine exercise that has nothing whatever to do with Li Teng-hui's visit to the United States. One should not make much ado about nothing and frighten oneself.

Did the China mainland have an exercise? When did the exercise begin? Where was the exercise? What was the nature of the exercise? What was the objective of the exercise? All these questions are basic ones that need to be answered to interpret whether "a crisis has occurred in relations between the two sides of the strait."

Nevertheless, despite their lack of any of this basic information, Taiwan's out-of-power politicians stirred

up a great storm from nothing, providing a rapid decoding and interpretation within the shortest time. Such skill in "considering only one's viewpoint without regard for the facts" is a rarity in this world.

On the subject of "how to deal with the crisis between the two sides of the strait, the opposition politicians were also "viewpoint wizards:"

People in the independent faction shouted very bravely, "nothing frightens us" to show that they did not shrink from a war with the China mainland as though each of them had become members of a "war faction" who is not afraid to die.

The unification faction suggested that Taiwan had better not make any more diplomatic breakthroughs. It would be best to discuss every matter with the Chinese Communists before taking action. Otherwise, further provocation and irritation of the Chinese Communists would put Taiwan's life in jeopardy. Their meekness and subservience was really like that of a "capitulationist faction."

Even more laughably, many opposition politicians who had never known war turned into instant military experts. On television and radio call-in programs, they talked grandly and with a straight face about "will the Chinese Communists attack Taiwan," "how will they attack," "when will the attack," "what will be the result of an attack," "will the United States become involved in the Taiwan war" and such topics, the preposterousness of which amounted to talking rubbish. Real military experts were at a loss for words and broke out in a cold sweat on hearing them.

Some politicians played to the gallery, saying anything that the public wanted to hear. It was like the various acts in a circus. No matter whether walking a high wire or performing clowns, as long as the spectators are happy, anything goes!

Politicians "considering only their own viewpoint without regard for the facts" in interpreting relations between both sides of the strait" ultimately resulted in members of the public who supported certain politicians also becoming in the habit of accepting erroneous information "from only looking at a viewpoint without listening to the facts." Recently, on television and radio call-in programs, members of the public from different parties, of different ideology, and even of a different political viewpoints reviled each other as "toadying to the Communists," "caving in to the Communists," "knowing nothing," and "childish," each of them arguing from a particular viewpoint and being unable to settle anything. Ultimately, the facts and the real situation emerged through the flying spittle.

The opposition politicians who hold sway in Taiwan today have no experience with dealing with a Taiwan Strait crisis; thus, within just a few days, a clumsy exercise made everyone take leave of their senses, ugliness and wretchedness appearing everywhere. One can imagine how bad the situation will be should a real crisis ever occur?

The biggest lesson for the opposition politicians relating to relations between both sides of the strait should be as follows: henceforth, "less talk based on viewpoint, and more talk based on facts." Otherwise, if the "prisoners of a viewpoint" become "victims of a viewpoint," it will be too late to repent.

***Retired Military Officers Courted by Mainland**
95CM0374A Taipei HEIPAI HSINWEN [TAIWAN WEEKLY] in Chinese 1 Jul 95 No 90, pp 37-38

[Article by Lin Cheng-hung (2651 2398 1347): "Military Intelligence Unit 'Special Case 101' Locks on to Chinese Communist Third Revolution in the Island'. Powerful Chinese Communist United Front Invites Huangp'u Alumni to Return to Motherland'."]

[FBIS Translated Text] Retired generals in Taiwan's military system have recently become the main target of the Chinese Communist United Front! The head of a Taiwan security unit disclosed that the Chinese Communist Central Military Affairs Commission, the General Political Department, and the United Front Department have decided on a united front campaign termed the "Huangp'u Homecoming." They intend to use the fiftieth anniversary of victory in the war of resistance to Japan as an occasion for inviting Huangp'u [Military Academy] from all over the world outside the "motherland" to return to China to celebrate a series of fiftieth anniversary commemorations of victory in the war of resistance to Japan.

This Chinese communist appeal to the revolutionary feelings of the Huangp'u military group includes invitations to Huangp'u alumni living in Taiwan to return to the motherland to celebrate the fiftieth anniversary of victory in the war of resistance to Japan. The Huangp'u alumni and generals living in Taiwan are invited to return in groups at five separate stages, beginning with the anniversary of the founding of the Huangp'u Military Academy on 16 June; 7 July (the Marco Polo Bridge Incident of 7 July 1937); 1 August (founding of the Chinese communist army); 24 August (acceptance of Japan's surrender); and 1 October (founding of the Chinese communist government). Because this Chinese communist campaign has an important effect on the historical position of the "Republic of China as a victor in World War II," Taiwan's Ministry of National

Defense has begun to become nervous. It has also instructed army general headquarters to conduct a concentrated major display of military capabilities from 7 July through 25 October. After learning of the seriousness of the situation from the military intelligence, the Kuomintang (KMT) also plans to conduct a series of creative activities between 7 July and Taiwan Restoration Day on 25 October.

However, the seriousness of the real issue is not just that the Chinese communists desire to avail themselves of an opportunity to confuse international perception in order to be misleading about the Nationalists' historical position, but that the Chinese communists have made the rise of an anti-Li [Teng-hui] organization within the Taiwan military a target for United Front recruitment and a winning over effort. They want this effort to serve in "identifying people throughout the island in favor of unification with the motherland" that can be a main force for carrying out "the third revolutionary campaign" in the island.

According to information in the hands of the Intelligence Bureau of the Ministry of National Defense [IBMND], the Chinese Communist United Front Department is currently in possession of a list of members of 12 anti-Li factions and organizations in Taiwan. These 12 anti-Li organizations include the New Party, the New United League, and "military, police, and college associations throughout Taiwan." Also, the Chinese communists are also beginning to invite high ranking officers to visit the mainland and meet with ranking Chinese officials there. Taiwan's Military Intelligence Bureau and National Security Bureau have organized a unit designated "Special Case 101" specifically to counter Chinese communist infiltration.

The officers in charge of the "Special Case 101" are of very high rank. They are not of ordinary major general/department director rank. Their work is divided into two main kinds: one is internal Taiwan work; the other is mainland tasks. Internal Taiwan work has to do with the approximately 2,730 high ranking retired military officers in Taiwan. Data about the entry and exit of these more than 2,700 high ranking military officers is currently being scrutinized. Every time a high ranking retired military intelligence officer completes formalities for leaving Taiwan, he is immediately listed for surveillance. If he travels to the mainland, the matter becomes the responsibility of the "Special Case 101" mainland work team. Since May, security units have surveilled the mainland activities of at least 30 high ranking retired officers. This is because these more than 30 high ranking military officers had contacts with Chinese officials. Because one of them, a former army deputy commander named Yeh [5509], visited

the mainland at this sensitive time and had a meeting with mainland Seamen's Union Director Wang Daohan [3076 6670 3211], the IBMND monitored his entire journey. This almost hurt his hopes of competing for the Kuomintang military system at large legislative committee seat.

According to authoritative information, there are two reasons why Taiwan military intelligence units are scrutinizing people so intensely and monitoring the travel to the mainland of high ranking retired military officers. One is that the Chinese communists have listed 100 retired high ranking Huangp'u military officers living in Taiwan that it intends to invite to a series of activities commemorating the fiftieth anniversary of the war of resistance to Japan. The second is that the Chinese communists are concentrating on contacting retired high ranking Huangp'u military officers to carry out a joint "third revolutionary campaign on the island."

Inside information that this publication has obtained shows that the 100 retired high ranking Huangp'u military officers in Taiwan that are on the Chinese communist's list include old, middle aged, and young men. The most senior members of the first Huangp'u class, generals Hsueh Yueh [5641 1471] and Wang Shuming [3769 0647 6900] [Tiger Wang] are on the list. Most numerous are the high ranking old and middle aged military officers who graduated from the Huangp'u Military Academy before the twenty-third class (those who entered the Academy during the mainland period). They include 12 general rank officers. They include eight second rank full generals who graduated from Whampoa's sixteenth class. Six of these second rank full generals are on the invitation list, the two excluded being Chiang Chung-ling [5592 0112 5376], Taiwan Minister of National Defense, and the deceased former NSB director, Sung Hsin-lien. However, investigation shows that the six include first and second rank full generals who are President's Office national policy advisors, strategy advisors, and political advisors, who dare not and cannot go to the mainland to "attach themselves to bandit creative activities." It is the activities of the lieutenant general and major general grade retired officers who have already joined anti-Li organizations about which the military intelligence authorities are most concerned.

Authoritative information verifies that between January 1988 and 31 May 1995, high ranking retired Taiwan military officers have made 7,756 trips to Mainland China. On average, approximately three high ranking officers have gone to the mainland every day. On average, each retired high ranking military officer has visited the mainland three times during these seven years. Although not a high frequency, since every retired

high ranking military officer did not visit the mainland, the real average number of visits is impossible to determine. However, the survey shows that some retired high ranking military officers have visited the mainland six times a year. It has also been confirmed that one retired full general who visited the mainland is involved in activities to get retired high ranking military officials on Taiwan to "visit the mainland." It has been confirmed that some high ranking retired military officers have become spokesmen and liaison personnel between the mainland authorities and the anti-Li faction on Taiwan.

Reportedly, the Chinese Communist United Front Department has two major united front strategy targets. These include "Huangp'u confreres on the island who oppose the Li regime," and "second and third generation mainlanders on Taiwan." Among the former, the Chinese communist's designated targets are the more than 2,700 retired ranking military officers on the island. Among the latter, the main targets are mostly those second and third generation mainlanders who oppose the Li regime, and those who want quick unification. Of the more than 2,700 retired high ranking military officers, an estimated 34 have joined an anti-Li organization. Twenty-seven of these 34 have traveled to the mainland, and all of them have met with cadres in the Chinese Communist Taiwan Affairs Office or with CPC Central Committee level cadres.

Reportedly, one Chinese communist ruse used by the United Front against Taiwan is the so-called "third revolution." This "third revolution" includes: 1) support for "anti-government organizations" on the island, starting a revolution within the island, and creating internal political turmoil in China; 2) use a monetary crisis on the island to create economic turmoil on the island; 3) use violent incidents to create social disorder on the island. Indications of the use of these methods to provoke internal political, economic, and social crises on Taiwan seem to have begun to appear on the island in recent days!

They include activities such as the continuous appearance of anti-Li forces (including the anti-Li reserve military police organization to be set up on 25 June); and the case in which a military policeman was stabbed to get his weapon, which is rather disturbing.

Investigation reveals that organization of "Special Case 101" by Taiwan's military intelligence units is aimed at Chinese communist infiltration and division of Taiwan; and that this is deemed a top secret clandestine activity. Actually, it is related to a series of anti-Chinese communist infiltration, counter-landing, and counter-commando military activities carried out in central and northern Taiwan during late May and early June.

Government Working for Li's APEC Attendance

OW2908124495 Taipei CHUNG-YANG JIH-PAO
in Chinese 25 Aug 95 p 4

[FBIS Translated Text] In view of the Japanese media's report that the Japanese Government has decided not to invite President Li Teng-hui or Vice Premier Hsu Li-teh to the summit meeting of the Asia-Pacific Economic Cooperation [APEC] so as not to offend the Chinese Communists, Hsu Li-teh noted yesterday: The government will continue to strive for the presence of President Li Teng-hui, rather than someone else, and we will surely attend this meeting at any rate.

As for whether he will attend the APEC summit meeting, Hsu Li-teh said he had never thought about or considered it; besides, the government had not made the final decision on this matter yet, nor had the government asked him to attend the APEC meeting.

Replying to the reporter's question on who would be the second best choice if President Li cannot attend the meeting, Hsu solemnly expressed that this is not a question of second choice; we are a full member of APEC and therefore we, naturally, are entitled to attend the summit meeting. The government will continue to strive for President Li's presence.

Taiwan To Hold WTO Talks With Tokyo

OW2908141595 Taipei CNA in English
0841 GMT 29 Aug 95

[By Danielle Yang]

[FBIS Transcribed Text] Taipei, Aug. 29 (CNA) — Board of Foreign Trade (BOFT) Director-General Lin Yi-fu left for Tokyo Tuesday to hold the seventh round of bilateral talks with Japan under the World Trade Organization (WTO) framework Aug. 30-31.

The two-day talks will focus on Taiwan's import quotas for Japanese compact cars, Lin said before departure.

Taiwan plans to allow the import of 6,000 Japanese compact cars annually after it joins the WTO. Taiwan's proposal to gradually lower customs tariffs on imported cars from 30 percent to 25 percent over a five years period after WTO entry remains unchanged, Lin said.

However, the Industrial Development Bureau has reportedly drafted two additional proposals. The first proposal will cut import tariffs to 28.5 percent and gradually lower them to 22.5 percent over the five year period. The second proposal will cut tariffs to 28 percent, eventually lowering tariffs to 20 percent over the five years, according to local car manufacturers.

Since the auto issue has become a key factor for Japan to decide whether to support Taiwan's bid to

enter the WTO, local manufacturers are worried about their survival, especially producers of auto parts and components.

Auto manufacturers have asked the Ministry of Economic Affairs to stick to its original proposal and to protect Taiwan's car manufacturers from Japanese pressure.

Taiwan earlier rejected a Japanese proposal for an import quota of 80,000 cars.

Other topics to be discussed include Japanese demands to lower tariffs on 570 industrial products, including chemicals, textiles, rubber products, machinery and non-metal products.

Taiwan is negotiating with more than 20 countries as part of its bid to enter the Geneva-based WTO. The WTO working party screening Taiwan's WTO membership will meet again in October.

Lin and his seven-member delegation is scheduled to return to Taipei Sept. 1.

Taiwan, Asuncion Agree To Strengthen Cooperation

OW3008020895 Taipei CNA in English
0105 GMT 30 Aug 95

[By Flor Wang]

[FBIS Transcribed Text] Taipei, Aug. 29 (CNA) — The eighth ROC [Republic of China]-Paraguay economic conference wrapped up here on Tuesday, with the two sides agreeing to further strengthen bilateral cooperation.

During the three-day meeting, ROC Economic Affairs Minister P.K. Chiang and Paraguay Industry and Commerce Minister Ubaldo Scavone Yodice signed a memorandum of understanding reaffirming Taiwan's increased investment in Paraguay and Paraguay's continued support of the Republic of China's bid to join the World Trade Organization.

In addition to continuing to help Paraguay set up an industrial zone in Oriental City, the Republic of China Government will also help establish an ROC-Paraguay technical cooperation center and offer vocational training to Paraguayan workers, Chiang said.

Bank of Taiwan Opens Singapore Branch

OW3008022495 Taipei CNA in English
0110 GMT 30 Aug 95

[By K. L. Yang and Flor Wang]

[FBIS Transcribed Text] Singapore, Aug. 29 (CNA) — Acting in line with the government's "southern strategy"

and its bid to build Taiwan into a financial operations center in the Asia-Pacific, the Bank of Taiwan opened a branch here on Tuesday.

The Bank of Taiwan is the third banking institution from Taiwan to set up a branch here, after First Commercial Bank and Chiao Tung Bank.

Li Wen-hsiung, general manager of the Bank of Taiwan, said the Singapore branch is the bank's tenth overseas stronghold.

The Bank of Taiwan, as part of its efforts to internationalize, has successively opened branches or representative offices in New York, Amsterdam, Los Angeles, South Africa, London, Frankfurt, Tokyo, and Hong Kong since 1990, according to Li.

The Bank of Taiwan, Li said, will continue with its expansion overseas in order to offer better financial services to Taiwan businessmen abroad, and to actively participate in international syndicate loans.

Following in the steps of the Bank of Taiwan, Hua Nan Commercial Bank will also open a branch in Singapore by the end of October, business sources said.

Other Taiwan financial institutions, including the International Commercial Bank of China, Chang Hwa Commercial Bank, and the Cooperative Bank of Taiwan, have also shown interest in setting up a foothold in Singapore, according to the same sources.

Central Bank Forms Contingency Task Force

*OW3008100695 Taipei CNA in English
0919 GMT 30 Aug 95*

[By Sofia Wu]

[FBIS Transcribed Text] Taipei, Aug. 30 (CNA) — The Central Bank of China (CBC) has formed a contingency

task force to help handle unexpected financial crises, CBC officials said Wednesday.

The central bank was the first government agency to respond to Premier Lien Chan's call for establishment of such a task force to improve government handling of emergencies in the wake of a row of financial scandals in recent weeks.

The CBC contingency task force will be headed by Deputy Governor Liang Cheng-chin and composed of officials from the CBC's banking department, banking examination department and legal affairs department.

Liang said the task force will meet regularly to keep abreast of the latest developments in the local financial market and work out effective strategies in time to handle emergencies or financial crises to maintain market stability.

"The panel will mainly play an advisory and coordinating role in dealing with emergencies," Liang said, adding the task force will strengthen contacts and consultations with the ROC Bankers Association to better understand banking operations.

The collapse of the fourth Changhua city credit cooperative and the fraud plaguing the International Bills Finance Co. in the past month have prompted financial authorities to tighten monitoring of banking operations and take other measures to improve emergency-handling capabilities.

Hong Kong

Qian Qichen Urges 'Freeze' on Hong Kong Laws
HK3008084495 Hong Kong EASTERN EXPRESS
in English 29 Aug 95 p 2

[By Wing Kay Po]

[FBIS Transcribed Text] The Chinese Vice-Premier, Qian Qichen, yesterday called for a freeze on Hong Kong's laws to assist the peaceful transition of the territory to the Chinese authorities in 1997.

"The Hong Kong authorities should not make big amendments to the existing Hong Kong laws during the transition period, otherwise, it will exert negative impact on the stability of the public service contingent there," he said.

Qian made the call in Beijing while meeting a visiting group of former senior Hong Kong civil servants led by a former senior official, Nicky Chan, president of the Former Senior Civil Servants' Association.

But Qian did not pinpoint any particular legislation which has been, or will be, subject to changes and which will adversely affect the transition.

Chinese officials have repeatedly criticised moves by the Hong Kong Government to change laws, especially public security-related legislation. They say recent changes to laws such as the Public Order Ordinance, brought on by the 1991 Bill of Rights, will undermine the effectiveness of the disciplined forces.

Qian said the stability and prosperity of Hong Kong is closely related to the 180,000 public servants at the moment, and the stability of the public servants is also crucial to maintaining the future stability in Hong Kong.

Qian also assured the delegation that there would be no interference from Beijing in the day-to-day operation of the civil service.

After the meeting, Chan said the 20-member delegation proposed to Qian that the Chinese government use different means to make contacts with Hong Kong Government officials to achieve a smooth transition.

These included open formal meetings between the two sides and informal gatherings, Chan said.

"Official exchanges should not be confined to exchanges on public policies. Personal contacts should also be a form of formal exchange.

"Social gatherings are a form of informal exchanges. (Qian) said social gatherings are also important. He said there should be ample channels (for contact)," Chan said.

The delegation also proposed to Qian that the post-1997 chief executive be trusted by China and supported by Hong Kong's civil servants. He or she should also be well-versed in the operation of the Government and have corporate management experience.

Qian was said to have agreed with the suggestions, adding that the ability to implement the principles of "one-country, two-systems", and "a high degree of autonomy" was also a prerequisite for the future chief.

The civil service group, which was set up under the umbrella of the political subgroup of the Preliminary Working Committee, was in Beijing to meet Qian and officials of the Hong Kong and Macau Affairs Office yesterday. It included former senior officials such as John Chan, the former secretary for education and manpower, and Yeung Kai-yin, the former secretary for transport.

The delegation returns to Hong Kong today.

Qian will visit London in early October to meet the Foreign Secretary, Malcolm Rifkind. The transition of the civil service, the co-operation between the Government and the preparatory committee to prepare for the establishment of the post-1997 government is expected to top the summit's agenda.

Meanwhile, the Governor, Chris Patten, said the Government had "a lot to build on" regarding the agreements made and the laws passed in the last session of the Legislative Council, such as the Sino-British airport deal, the legislation to set up the court of final appeal and the mandatory provident fund.

Patten said his priority was now the September 17 Legislative Council elections.

Expelled Journalists Deny PRC Allegations
HK3008084895 Hong Kong EASTERN EXPRESS
in English 26-27 Aug 95 p 1

[By Ella Lee and Rain Ren]

[FBIS Transcribed Text] Two Hong Kong journalists expelled from China yesterday denied they had spied or attempted to obtain any military secrets while covering the mainland's missile tests in Fujian province last week.

China expelled the two Next Magazine journalists — a reporter, Wat Wing-yin, and a photographer, Tse Ming chong — after accusing them of entering Fujian's coastal area on August 18 "disguised as tourists in order to obtain military secrets surreptitiously".

The deputy director of the New China News Agency (Xinhua) in Hong Kong, Zhang Junsheng, last night

refused to say if the two journalists would be allowed to undertake news assignments in the mainland in future.

On their return to Hong Kong the two journalists said they had no choice but to sign confessions to the accusations made by mainland authorities during their detention.

The pair said they were arrested on Sunday when trying to take pictures of fishermen at Dianhai, northern Fujian.

"We were trying to hire a boat and some fishermen brought along several (security) officers," Wat said.

"I didn't know who they were, they were not in uniform," she said.

"It's a fact that we did not apply for official approval for news covering there, but we did not spy for any military secrets."

The journalists said they were treated quite well and they had not seen any weapons during their period under guard in a country house.

Security To Investigate PRC Boat Seizure

*HK3008014395 Hong Kong HONGKONG
STANDARD in English 27 Aug 95 p 1*

[By Michael Wong]

[FBIS Transcribed Text] The Security Branch is investigating the Chinese government seizure of a vessel whose occupants reported an attempted hijacking in Hong Kong waters yesterday.

Police received three emergency calls from the vessel yesterday morning, with callers reporting that the boat was being hijacked by a group of armed men in Hong Kong waters.

However, police conducted a search and failed to find the vessel.

Hours later, the Chinese Public Security Bureau in the city of Zhuhai, just north of Macao's border, informed the Security Branch—via the Border Liaison Group—that they had seized the vessel.

The Security Branch is now investigating the incident. Chinese officials are keeping in contact with the branch to keep the unit informed of ongoing developments.

Zhuhai officials said a boat had been detained in the port after being intercepted at Nei Ling Ding Island just off the territory's border in Chinese waters yesterday morning.

The confirmation came as a reply to a branch inquiry after police received three 999 emergency calls from 11.38 am yesterday.

A man, who said his surname was Cheung, told police in the first call that "he was frightened by the movement of a dai fei nearby", police said.

He had also said there were six men in a speed boat following him, situated just east of Cheung Chau.

The second call came one minute later when a man, who told police his surname was Lui, said five to six armed men were boarding his boat, Yeung Kong, between Cheung Chau and Lamma Island, just off the Lamma power station.

"The man told the dispatcher that the men were all holding handgun-like objects," a police spokesman said.

In the third and final call, the same man told police his vessel was heading south-east of Tai A Chau, close to the boundary of the territory's south-east border.

Marine Police later launched a search with the assistance of Government Flying Services aircraft but could not locate the reported hijacked boat and the callers.

"We called Cheung, who left us with his telephone number, but there was no Cheung at the said number," a police spokesman said.

Police recorded seven incursions by Chinese security vessels last year, a drop from the 14 cases recorded in 1993.

The last incursion happened on 18 March this year when Chinese security officers boarded two Hong Kong vessels in territory waters.

Marine Police attempted to investigate the incident, but it resulted in a stand-off with machine guns allegedly pointed at police.

The vessels were eventually taken into Chinese waters by Chinese security boats.

'Roundup' Views 'Bright Aspects' of Economy

*OW2908134195 Beijing XINHUA in English
1223 GMT 29 Aug 95*

["Roundup: Economy Expected To Grow at Lower Speed" — XINHUA headline]

[FBIS Transcribed Text] Hong Kong, August 29 (XINHUA) — The cut in the official forecast of Hong Kong economic growth rate for 1995 has generally been greeted with agreement by local economists, who at the same time held that there are still bright aspects in the economy.

In the August update of Hong Kong's official economic forecasts for 1995, the forecast growth rate of the gross

domestic product (GDP) is revised downwards from 5.5 percent to five percent.

The newly-published official economic report claimed the revision was made mainly in the light of the sluggish consumer spending, as well as in face of the moderation in private sector building and construction activities, and the reduced property trading so far in the year.

Hong Kong's consumer spending component represented about 60 percent of the GDP figure, this year the private consumption expenditure is only expected to rise by 3.5 percent instead of the previously estimated 5.0 percent.

A weak consumer sentiment prevailed in the first half of this year due to several rises in interest rate since early last year and the rise in the unemployment rate more recently.

Hong Kong's unemployment rate edged up to 3.1 percent in the second quarter from 2.8 percent in the first quarter and under-employment also rose to 2.1 percent from 1.4 percent.

In terms of building and construction, the forecast growth rate of the private sector decreases from three percent in the earlier forecast to 1.5 percent.

Even though, economic analysts generally held that there were some bright aspects in the economy, referring to the reviving tourism, the continued good performance on the export front and strong investment in machinery and equipment, which should be able to underpin an overall GDP growth of five percent.

Total exports are forecast to grow 13.9 percent this year, the same as in the earlier forecast; machinery and equipment to grow 18.1 percent, higher than the 14.1 percent growth forecast in May; and tourism saw a healthy increase of 15.2 percent in the first six months of this year, according to the official economic report.

Many local economists showed no surprise to the downward revision. They held that the weak consumer expenditure, the primary reason accounting for the revision, is actually a sentiment problem rather than an income problem. The income growth remains but people are saving more.

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